



means roller bearings

# FINANCIAL TIMES

No. 25,541

Thursday August 26 1971

\* 6p



## News Summary

### GENERAL

#### Police swoops: eight charged

Eight men were charged at City Road police station yesterday following police swoops in East London during the past few days. The charges included demanding money with menace and conspiracy to cause bodily harm.

#### Sewell missed

Meanwhile, Britain's most wanted man slipped through police dragnet yesterday. Forty armed detectives raided a farmhouse near Reigate where they believed Frederick Joseph Sewell was living but they missed him, perhaps only by hours. Sewell is wanted for questioning about the murder of the Blackpool police chief after a £50,000 jewel robbery.

#### Tanzania moves troops to border

Tanzania said last night it had moved troops reinforcements to the Ugandan border following fighting which lasted early yesterday morning. An official statement said Ugandan forces had suffered heavy losses. Four Tanzanians had been killed. Uganda's General Amin flew to the border and reporters in Kampala were shown the body of a man said to be a Chinese General, captured alive on the border. Page 7

#### Vietcong attacks

Part of one of the biggest U.S. ammunition dumps in South Vietnam has been blown up and five American bases shelled in what military spokesmen said could be the opening of a major pre-emptive offensive by the Vietcong.

#### Gelignite may go to Ulster

There are fears that 800 lb. of gelignite and 1,500 detonators stolen from a magazine near Reading yesterday may be on their way to Ulster. Used in small amounts, the haul could flatten large areas of Belfast. Crime use is ruled out in view of the quantity stolen.

#### U.K. takes over Ghana frigate

Britain has agreed to take over a frigate, originally worth £4.7m, when it was ordered by Ghana's re-elected President Nkrumah. From the present Ghana Government, it could involve Britain in a loss of £3.5m. Its sale has not been decided. Britain will consult Ghana's other Western creditors with a view to holding further debt rescheduling talks. Page 11

#### Sir Hugh Greene leaves BBC

Sir Hugh Greene has resigned from the BBC Board of Governors because of increased Government control over the corporation. Christopher Chataway, Minister of Posts and Telecommunications, announced. Page 15

#### People and places

Pornography foe Lord Longford "remained unconvinced" after Danish Foreign Ministry officials put forward their case for liberalising pornography laws.

Mr. Manfred Baker, of London, won, with two colleagues, £50,000 in his first pools attempt.

International Commission of Jurists asked Pakistan President Yahya Khan to reconsider holding Awami leader Sheikh Mujib's trial in secret.

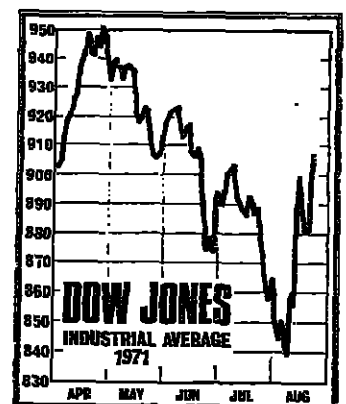
Soviet Communist party leader Brezhnev will visit Paris in October. Page 5

Two brothers aged seven and six and their five-year-old sister were drowned in the sea off the Isle of Wight.

### BUSINESS

#### Wall St. surge slackens

WALL STREET made further sharp gains at the opening—the index was up nearly 9 points



after an hour—but profit-taking later set it and the close saw the index at 903.37, a gain on the day of 4.24.

LONDON EQUITIES were quieter, leaders making a little more headway despite some profit-taking. The index added 1.4 to close at 4.19.2.

GILTS continued firm. The Government Securities index rose 0.14 to a high for the year of 75.88.

GOLD fell 40c to \$42.90.

STOCK EXCHANGE'S first full examination results, published today, show that of the 434 would-be members who took the paper on Stock Exchange practice only 204 (47 per cent.) passed. Page 15

#### Caution to shipbuilders

AN IMPLIED WARNING that other shipbuilders will find themselves in the same boat as UCS unless the industry's labour relations system is modernised is contained in a report on the industry published yesterday by the Commission on Industrial Relations. It is still highly critical of many of the attitudes adopted by both employers and unions, although acknowledging that progress has been made since the Geddes report five years ago, and suggests that both sides should join together on new joint councils representing all employees. Back Page

ANOTHER 220 UCS employees will receive redundancy notices by the week-end, bringing the total by the end of the month to nearly 400. Meanwhile, industrialists Archibald Kelly, who has said he will bid for UCS, is to meet industry Minister Eden today. Back Page

The man who wants to buy UCS. Page 14

#### 700 backing CBI pledge

OVER 500 COMPANIES have come forward voluntarily to sign the CBI's undertaking to keep price rises under 5 per cent. in the next 12 months. This brings the total number of signatories now to over 700, of which 150 are among Britain's 200 largest concerns. Back Page

NUMBER OF STRIKES in this year's first seven months at 1,364, was half the number in the same period of 1970 but the number of days lost was nearly double at 11.2m, confirming the trend to fewer but longer strikes. Page 13

LARGE LOAF PRICE increase of 1p—equal to 10 per cent.—is expected to be introduced from next week by independent bakers, who supply about 20 per cent. of the market. Page 18

BEA AIRTOURS, the charter subsidiary, made £154.140 in the financial year to March 31. However, chairman Philip Lawson warned that sharp operating cost increases are likely this year. Page 11

Marley third quarter profit is trebled at £1.92m (£0.69m) for nine months' total of £4.84m, higher than the total for either of the two previous full years. Page 17: Lex

#### CHIEF PRICE CHANGES

(Prices in pence unless otherwise indicated)

RISERS	FALLERS
Hitachi 61%, 125 + 15	Cent & Dist. Props. 175 + 13
Allied Textile 22 + 5	Cronite Foundry 100 + 17
Argyle Securities 55 + 10	Glanze 412 + 12
Automotive Products 725 + 70	Gunn (A.) 160 + 18
Brammer (H.) 175 + 10	Johnson Richards 330 + 18
Brown (J.) 162 + 14	Kier (J. L.) 180 + 6
Burton "A" 206 + 12	Kingsley Keith 63 + 6
Camrex 102 + 18	Laporte 400 + 7
	Minster Assets 50 + 5
	Myson Group 170 + 5
	Muirhead 63 + 4
	Odyssey 333 + 12
	Philblack 124 + 12

## Security alert as many injured in Belfast bomb terror

BY ARTHUR SANDLES, Belfast, August 25

Security warnings went out to-night to all businesses and shops in Ulster after the bombing of the Electricity Board headquarters here early to-day. One man died and 35 other people, many of them young office girls, were injured in the explosion.

As the Army's search for further gelligate in the province continues, there is a growing fear of Protestant reprisals against the Catholic community. However, the explosion provoked shocked condemnation from Catholic and Protestant leaders alike.

Several of the people injured in the explosion, including a young woman expecting a baby, are still in hospital, some of them in a critical condition. Even after the blast, others were still at risk without knowing it. An unexploded bomb was discovered in the building in an Army search.

### Blunder

Immediately Mr. Brian Faulkner, the Ulster Premier, called it a "reckless and callous action".

The Prime of All Ireland, Cardinal Conway said: "I want to condemn in the strongest terms the bomb explosion this morning which resulted in death and injury to innocent people."

This and similar activities are repudiated by the overwhelming majority of Catholic people. "The tragedy appeared to have been a terrible IRA blunder. So far, the terrorists have avoided deliberate civilian casualties. This time a telephone call from a woman warning the 400 employees at the Board's offices came only two minutes before the massive explosion."

Office staff were gathering in corridors and making their way out of the building. The explo-

sion caught them in groups as they were leaving with disastrous results. When a senior police officer said the offices looked like an abattoir "he was not exaggerating."

I reached the Electricity Board soon after the blast. Wreckage had buried girls. Dozens of other office workers left the building with facial cuts from flying glass.

Army vehicles and civilian ambulances converged on the building as streams of wounded people were led away. There was no clue to the attacker and no one could explain how anyone could have entered the offices with 30 lbs of gelligate without being spotted. There is only one open entrance to the building and officially, anyone entering is checked.

After a night in which four

Belfast deputation to Heath  
Back Page  
Dublin moves Page 11

bombs exploded in different parts of Belfast extensively damaging buildings the involvement of 30 many innocent civilians in an IRA raid came as a shock to the city.

To-night the Ulster Government urged all offices and businesses to be extra careful about checking both their property and visitors to offices and shoppers in stores may be asked to open bags and parcels for examination. All this happened as Mr. Geof-

frey Johnson Smith, Under-Secretary of State for the Army was expressing the hope that the Army would provide a further "breathing space" for the politicians by the autumn. Deliberately or otherwise, the bomb exploded just as his Press conference was starting not more than a quarter of a mile away.

He went immediately to the scene of the incident. There he denied that security arrangements in Ulster were insufficient. "The Army's security, I believe, is very good," he said. "But there is no fool-proof system against the kind of thing. All one can do is steadily beat the back of the terrorist organisation. There is no future for them."

### Paisley

He did not think that Army activity in the Province had resulted in the stepping-up of IRA activity. "The Army is the life-line, it is the insurance. If the Army left, there would be a blood bath."

However, Mr. Paisley, who probably has a bigger following here than many on the British mainland realise, was one who questioned security arrangements. "It is evident from today's acts of terrorism that Mr. Faulkner's Government has failed to give stability to the province and to protect its loyal citizens," he demanded the recall of the Stormont Parliament.

Both at the scene of the explosion and in the House of Commons, Continued on Back Page

## GATT sees no early end to U.S. surcharge

BY REGINALD DALE

GENEVA, August 25.

THE MAJOR trading partners of the U.S., including the U.K. and France, are now convinced that there can be no quick solution to the world trade and monetary problems created by President Nixon's "new economic policy".

Most of the delegates left today's special meeting of the GATT Council here this evening resigned to the probability that the U.S. 10 per cent. import surcharge is unlikely to be removed for a good time to come, and that the best that can be done in the next month or so will be to try to resist the international pressures that might lead to a major world trade war.

The U.S. delegation said here today that it was totally unable to specify when, or under what conditions, the import surcharge would be removed. But Mr. Nathaniel Samuels, Deputy Under-Secretary of State for Economic Affairs, strongly indicated that it was up to the other major trading nations to take the necessary action to put America's balance of payments right.

The surcharge would not be abolished until there had been a proven change in the U.S. balance of payments situation, Mr. Samuels said. He rejected requests for the U.S. to remove the surcharge until the developing countries represented here, and said the surest solution to the surcharge problem would be to bring world

monetary and trade relationships into a more viable framework than had existed for the past few years.

For the Common Market, Dr. Ralf Dahrendorf, of the Brussels Commission, said he expected the next step towards solving the crisis to take place in the monetary field.

Although a special GATT working group has been set up to study the legality of the U.S. trade measures, Dr. Dahrendorf expected the focus to move away from the trade arena in the next few weeks.

### Serious efforts

If the Common Market countries could reach a concerted position in the monetary sector, more sweeping discussions might be possible with the U.S. over trade policy, Dr. Dahrendorf said.

The Community would make serious efforts to reach a common point of view by next September.

Dr. Dahrendorf repeated that the Community does not intend to bargain for the surcharge's removal by making concessions to the U.S. in the trade field. Nor had the U.S. made any such demands, he stated.

But the American delegation has made it quite clear here that the surcharge will not be removed until there has been a major change in the competitive position of the U.S.—and that it

is up to the other major trading countries to ensure this by least realigning their parities against the dollar.

The problem, as the U.K. delegation here has pointed out, is that the other countries will find it difficult to fix realistic new parities while the surcharge is still in force—both because of the distortions in competitiveness it creates and because of the domestic difficulty of enforcing a double penalisation on exporters.

The Common Market and the U.K. want the GATT study group to report by September 30. This, it is felt, will give the IMF sufficient time, following normal GATT procedure, to assess how appropriate the U.S. measures are to deal with the balance of payments deficit.

The emphasis at the meeting here has shifted away from the legal niceties of the U.S. measures under GATT rules, and is now focussing on their effectiveness. Everybody recognises that a genuine problem exists and that it is in the interests of all countries to deal with it as efficiently as possible.

Then, generally agreed here, it was now up to the Japanese, who have remained notably reticent during the two-day GATT meeting. But the U.S. will clearly want to know a lot more about the intentions of all its major trading partners before abandoning its present policies.

has not yet been completely discounted.

Against this background, the stock market has been expecting a move by BSA to sell its Herbert shares, and this has had a dampening effect on the Herbert share price.

The announcement of the sale came well after market hours, but Herbert shares ended the day 1p lower at 55p. The BSA price was also 1p lower on the day at 25p.

See Lex Back Page

## BSA sells Herbert stake

BY SANDY McLAHLAN

IN a further move to improve its cash position, Birmingham Small Arms has sold its 17 per cent. stake in machine tool maker Alfred Herbert, Ltd.

The 3,277,000 shares were sold through the market, and will have raised a cash sum in the region of £11m for BSA.

When BSA got its shares back in 1968 in exchange for its machine tool interests, they were worth £8m. Under the terms of that deal the shares created were "B" shares and were not quoted.

But the agreement provided that if they were sold they would become Ordinary shares, ranking pari passu in all respects with the existing Ordinary shares.

BSA's financial problems have been much publicised recently, and with the collapse of a possible bid from Dr. Daniel McDonald, BSA started on a policy of selling off some assets to help finance the reorganisation and development of those retained although the possibility of a full bid from another source

has not yet been completely discounted.

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See Lex Back Page

TEACHER	PEARL ASSURANCE	GOLD MINES
Unitech 253 + 13	278 - 8	22.9 33.8 39.8
Vaux and Assoc. 260 + 20	155 - 13	Ord. Div. Yield 3.67 3.66 4.88
Vaux and Assoc. 260 + 20	155 - 13	Earnings Yield 5.72 5.74 6.76
Weights Biscuits 68 + 9	515 - 15	P/E Ratio 17.88 17.82 16.92
British Petroleum 678 + 5		Dividend Yield 11.24 11.21 7.28
Barrym 63 + 5		For latest share underpin (81-25) 8025
Conrinc Rintinto 24 - 20		
Hampersley 145 - 13		
Weekatharra 53 - 10		
Middle Wilts 158 - 10		
Pen-Wallace 58 - 8		

Court Line FALLS 144 - 4

## Europe's currencies still firm against \$

By William Keegan

THE MAJOR European currencies strengthened a little against the dollar yesterday following the reported size of the party realignment desired by the international Monetary Fund.

Turnover was again slack, and dealing margins remained relatively wide. The technical factors supporting the dollar earlier in the week have largely disappeared from the market, but the size of the effective dollar revaluation less than 3 per cent. against European currencies.

### Main target

So far the floating experiment seems to have kept speculation to a minimum. The main target of the market has been the reported IMF figures have had more than a minor influence on the market—the Japanese yen.

The rigid Japanese exchange controls make speculation extremely difficult, but a very thin market has developed in London in which the yen has floated upwards by 14 per cent.

The pound yesterday rose by over a cent to close at \$2.4580-85 equivalent to a revaluation of about 24 per cent. The pound has also gained ground against the D-Mark, the guilder and the lira this week.

The D-Mark closed at DM3.3875 on Tuesday. After weakening in unofficial dealings last week the D-Mark is now back to around the level of August 13, with an effective revaluation of 71 per cent. on the old parity.

In New York the dollar lost further ground, the £ closing at \$2.4675-2.4700.

### Belgian francs

The dollar was on its floor against the commercial franc in Paris, the financial franc again strengthened on Frs.5.381-40 to the dollar, against Frs.5.43-40 on Tuesday and the official franc against the commercial franc of Frs.5.5125 to the dollar.

In Amsterdam the Dutch central bank announced that it had bought some 40 to 45m. Belgian francs for gold in support operations to keep the two currencies in line with the margins set up under the joint float agreement.

### THE £ ABROAD

	Close Aug. 26	Close Previous
New York (Sp) \$ 87 4675-4700	\$2.4681-4681	
Do. (1 month) 91 4 - 5 1/2	\$2.4681-4681	
Do. (3 months) 100 8 1/2	\$2.4681-4681	
Do. (6 months) 105 0 1/2	\$2.4681-4681	

## New Cunard chairman is Mr. Victor Matthews

By Sandy McLachlan

THE TRAFALGAR House Investments' offer for Cunard has narrowly achieved the 75 per cent. acceptance which Trafalgar has to get full advantage from Cunard's tax position, and has gone unconditional. Yesterday, Mr. Nigel Brookes, Trafalgar's chairman, said he was confident Trafalgar would get sufficient extra acceptance to bring its stake to over 90 per cent., and that it would then be the company's intention to acquire compulsorily the remainder under Section 209 of the Companies Act.

Brookes added that Trafalgar would have gone unconditional even without the 75 per cent., since it had been confident that by doing so it would have brought out extra shares. In the event acceptance plus Trafalgar's own holding totalled 75.7 per cent. These include the shares of Mr. Donald Forrester, the Cunard ex-director, who opposed the bid as too low, and it is believed that Mr. Maxwell Joseph's shares were also assented to the offer.

### Smallpeice goes

With Trafalgar now in control Sir Basil Smallpeice is resigning from the chairmanship of Cunard and is also giving up his directorship. Instead he joins the Board of Trafalgar.

Three other directors, Lord Shackleton, Sir John Wall and Mr. Peter Wrightson are also resigning, and Mr. Philip Shirley is resigning as deputy chairman, but remains on the Board.

The new chairman and chief executive is Mr. Victor Matthews, formerly managing director of Trafalgar, who will replace Trafalgar man, Eric Parker, the finance director, also joins the Board of Cunard.

The Trafalgar cash offer has now closed, but the basic offer and the share election alternative remain open for late acceptances until further notice.

Approximately a quarter of the shares subject to the offer were assented to the cash alternative.

Of the acceptances so far received the split between the three offers was 28 per cent. to the basic offer, 37 per cent. to the share election offer, and 35 per cent. to the cash offer.

See Men and Matters Page 14

### WATNEY DEAL POSSIBLE

## Grand Met wins the Truman battle

BY KENNETH GOODING

WATNEY MANN last night conceded defeat in the struggle for control of brewers Truman Hanbury Buxton, which, over the past two months, has provided one of the most fascinating battles the City has ever seen.

This leaves the way clear for Mr. Maxwell Joseph's Grand Metropolitan Hotels group to take over Truman and thus become the first "outsider" to move into the brewing industry. And Mr. Joseph could well become a force to be reckoned with in brewing. He maintained last night that Truman was likely to be Grand Met's only major acquisition in the industry, but "we might take over smaller businesses."

### Salvage

Watney might still salvage something from the situation for chairman Mr. Michael Webster yesterday afternoon had talks with Mr. Joseph about the possibility of Grand Met supplying substantial quantities of beer to Watney from the new 27m. Truman brewery at Brick Lane, Stepney.

One of the major reasons Watney wanted Truman so desperately was to speed up its rationalisation plans by closing its worn out and expensive Mile End brewery up to five years ahead of schedule by switching production to the new Truman brewery nearby in London's East End.

Mr. Webster described his meeting with Mr. Joseph as "very friendly" and said it was hoped arrangements could be made for the Truman brewery to supply Watney for up to five years.

Mr. Joseph maintained he would welcome such a deal and could at the moment see no obstacles to the arrangement. "Certainly Watney needs the beer and we have the spare capacity," he said. Apart from the prospect of saving some of its production problems solved, Watney will also reap a gross profit of £2.2m.

by accepting the Grand Met offer in respect of its stake in Truman—estimated at around 38 per cent. However, it also incurred big expenses during the battle. Mr. Webster stated last night that Watney had still to decide what it would do with the Grand Met stock and shares it would receive as a result of accepting the offer—a package worth up to £15m.

The most likely outcome would be for the shares to be placed with institutions friendly to Grand Met.

Grand Met has agreed to extend its offer once again to September 3 so that previous Watney supporters can take advantage of it. The extension includes the right to the additional 15p cash, or of loan stock and the bankers' offer for the Grand Met warrants.

The final price therefore values Truman at about £50m, although, because it bought many of its shares at below the present Truman price of 460p (compared with 254p before Mr. Joseph set the auction going on July 1), the final cost to Grand Met will be below that figure.

### Hurdle

There is only one more hurdle to take before Mr. Joseph adds Truman to his entertainment and leisure group which, apart from hotels in London, Europe and the United States, also takes in the Berni Inns-Chief and Brewer steak house chains, the Meca bingo-to-dancing concern and Express Dairy, one of Britain's largest milk products distributors.

This is clearance by the Department of Trade and Industry whose decision on whether either of the bids for Truman should be referred to the Monopolies Commission has been an uneasy task since coming. However, Grand Met is the least likely of the bidders to find its plans put back by a reference to the Commission.

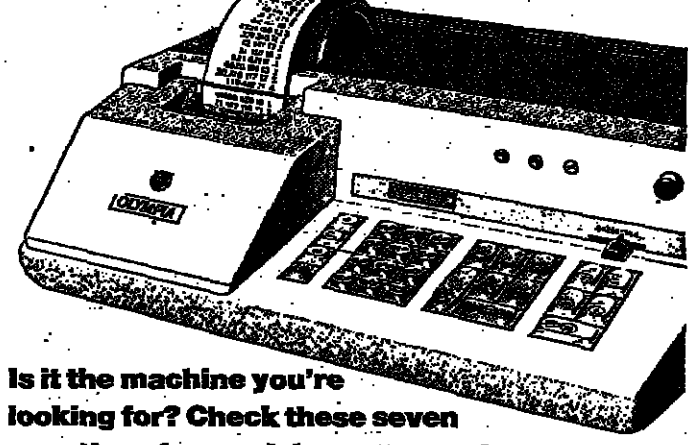
### ON OTHER PAGES

#### AIR CHARTERING

Today's issue contains three pages (19-21) on Air Chartering. Advertising & Marketing 12 & 13 Appointments 10 Arts and Entertainment 10 Books 12 Classified Appointments 10 & 12 Crossword 2 Economy News 3 Export News 6 FT Share Information 26 & 27 International Company News... 18

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## The new Olympia CP600 electronic calculator prints as fast as it thinks









Old Vic

# The Father

by KENNETH ADAM

For the first time, and in all probability, the last, a provincial "rep" has begun a week's run at all places, the National Theatre. This is not "up for the cup," as we northerners understand it, more like playing a qualifying round in Wembley Stadium. For reasons which need not detain us, the Octagon Theatre, Bolton's production of Strindberg's *The Father* has not taken place there yet. What we are actually seeing in the Waterloo Road is an amended and unacknowledged presentation by the now disbanded Sheffield Repertory Theatre.

But the politics are unimportant. The play's the thing, and *The Father* at once presents three stumbling blocks, the translation, and the two principal parts. Happily, these are overcome. We are put at once into the debt of Michael Meyer's taut, wiry and non-Archer English used. If I remember right, for the first time when Trevor Howard played the lead nine years ago. If it is too much to say that Mr. Meyer has got into the master's skin, he is certainly wearing his velvet coat. And as the short but terrifying evening progresses, we fall increasingly into the thrall of Wilfred Harrison as The Captain, and of Lorraine Peters as Laura.

This is no mean feat, because the roles are treacherous, seeming to offer a much easier success than in fact possible. They are not so much persons as elemental forces, and the very artifice of the dialogue in Mr. Meyer's rendering is itself a trap unless the players realise they are the author's conventions, not their characters, that it is not their biography but Strindberg's autobiography that is on show. August himself is the unashamed hero of *The Father*, and by a certain formality in their playing, both Mr.

Harrison and Miss Peters acknowledge this.

The former leans rather to Trevor Howard's interpretation of a tormented bull than to Michael Redgrave's earlier and more complex reading, but it is such a very compulsive performance in its own right that comparisons are really unfair. As for Miss Peters, her statuesque movements, her stillness and containment throughout are positively chilling. A mother who is a woman who might have been. As for the production, the difficulty, as always, is that it has to build up and then burst through normal restraints, to go out of balance and of

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moderation into ecstatic, irrational, cruel, despairing fits and starts. Geoffrey Ost, a director new to me, manages this very well indeed, though I could have wished for firmer steering of the minor parts.

The Pastor is adequate, the Doctor less so, and the Nurse, alas, quite miscast, though it is not the actress's fault that she is about 30 years too young. At least the "business" with the strait-jacket in the last act, which can so easily become ridiculous, is firmly handled; the throwing of the lighted lamp at Laura, by the Captain, is also credible, and that is an achievement in itself. One way and another, Strindberg asks a lot of his surrogates.

One understands that Mr. Harrison is to direct the Octagon Theatre's new season, backed by the Arts Council and by no fewer than eight local boroughs. So widely diversified an enterprise is rare, and if Mr. Harrison can produce as well as he acts, he may find himself and his company taking the train to Waterloo again.



Wilfred Harrison

Albert Hall

# Two Masses

by DOMINIC GILL

The BBC Symphony Orchestra and Chorus under Colin Davis ended their Tuesday Prom with a fine performance of Mozart's Requiem, and that was music to be thankful for, altering entirely (as it did) the complexion of what had threatened before the interval to become a fairly grim evening. Davis began the Requiem hesitantly, feeling his way: a rather too careful *Andante* and *Adagio*, and a square (and somewhat less than elemental) *Dies Irae*. But with the *Confutatis* *Maledictus*, the playing and singing caught fire: a beautiful barcarolle of a *Lacrymosa*, sensuous but never too sweet; a full, resonant *Dominus Deus*; a *Benedictus* quartet whose soloists (Cotrubas, Kern, Davies and Rowell) twined marvelously together; and a powerful *Agnus Dei*, eloquent and serious, cut with just the right edge of brilliance.

The programme had started with Stravinsky's *Mass—* a chamber mass for mixed chorus and wind instruments, best sung with child voices in a small church or hall. Not that women's voices, or the Albert Hall, need necessarily put a performance out of joint: but this performance never quite clicked into place. There were too many blunt sound-surfaces; much more, for instance, could have been made of the pause-commas after each phrase of the Credo, echoing silences punched into the texture. Those vivid contrasts of staccato and legato were sharper etched; the "Hosanna" of the Sanctus, in particular, could have done with much more incisive attack. Erratic playing, too, from the BBC Symphony's wind: their last gentle dissonance was dissonant in all the wrong places, a gentle dissonance.

And then to follow the Stravinsky, new Prom-style.

Cliff Richard  
at the London  
Palladium

Cliff Richard is to star in his own show at the London Palladium for a three-week season opening on October 11. The "Cliff Richard Show" will follow the successful London Palladium summer production to see such fun when it closes on October 9.

With Cliff will be Marvin, Welch and Farrar and the show will introduce for the first time to the Palladium Olivia Newton John, whose single, a Bob Dylan song entitled "If Not For You," was a Top Ten hit this spring.

مكتبة الأصيل



Timothy West with Trevor Martin in the background

Record Review

# Tribute to Louis

by KEVIN HENRIQUES

Ironically, the three-volume *Melody Maker Tribute to Louis Armstrong* (Polydor Select 2450 123, 124 and 125, £1.95 each) arrived within days of the great man's death. The discs are from an Elizabeth Hall concert sponsored by the Melody Maker at which leading British bands and musicians performed to salute Louis on his 70th birthday on July 4 last year. It would be felicitous to write that the set is a fitting memorial but it is a fitting memorial to a man who happily in too many places the recording marries what sound to have been a musically exciting and enjoyable occasion in the hall.

The trouble seems to arise from a shortage of adequate microphones. For most of the time the rhythm section, the piano especially, is badly miked—the exception is a trio set by the inebriated swinging Lennie Felice and solos from members of the Alex Welsh Band go astray at crucial moments.

Beryl Bryden's washboard is insistently more audible than her voice on *Doctor Jazz* and almost all the announcements by the musicians are so distant they can be heard only by pressing one's ear to the speaker! Frankly the Alex Welsh Band and its constituents who can be heard, plus George Chisholm and Humphrey Lyttelton, save the concert from disaster. The reliable, versatile Welsh outfit, which of its type is unsurpassed in Europe and has few challengers in America, in their featured spots they are their usual polished selves. Plenty of rising-to-the-occasion solos from the leader, particularly on *Swing Swing Blues* where the tempo is likely to be doubled as in Armstrong's version.

Accompanying George Chisholm and Humphrey Lyttelton

the band performs nobly. The Roy Williams-Chisholm trombone duets are a musical highlight—the choruses they play together on *Tea for Two* are really something! When Humph joins the band the difference between his Louis-influenced style and Alex Welsh's is marked and intriguing: Humph's tone is more piercing, Welsh's rounder but both play exceptionally well and it is reassuring to have proof that Lyttelton's other activities have not diminished his prowess as a fiery trumpeter. For the rest, the concert is a reluctant veil of acknowledgement. Bruce Turner and Wally Fawkes are also to be heard but not to any great advantage and the final rave-up number (mercifully not *The Saints*) is the predictable shambles despite the sleeve writer's contention otherwise (but then he was the instigator of the event).

Two recent albums by that presently prolific recorder Stéphane Grappelli support anyone's claim that he is one of the truly great and few remaining hot jazzers. On *I Remember Django* (Polydor Select 2450 105, £1.95) the violinist is featured with guitarist Barney Kessel. For catchpenny's sake they are billed "with the New Hot Club Quintet" (in fact Kessel is a Christian disciple, not a Reinhardtian). But the partnership is not an incompatible one; Kessel is a nimble, delicate player and complements the supple gaiety of the Frenchman. They have an unaccompanied duet on *I Can't Get Started* and pay homage to Django in the beautiful title tune of the LP, composed by Kessel and which takes perceptible inspiration from Reinhardt's own famed *Nocturnes*.

Unlike some of Grappelli's other recent recordings this to

session was recorded in Paris and so was *I Hear Music* (RCA Victor SF 8184, £2.09) and if I prefer this to the other album it is because of the presence of drummer Kenny Clarke who gives a bristling lesson to all drummers on the correct use of brushes when he uses on all but one of the tracks.

This is a finely-conceived production with tempos and moods intelligently varied. Five Grappelli originals (all dedicated to fellow musicians) are included—on one he accords himself on piano—and on all tracks the violinist dashes off the choruses effortlessly and with elegance. It's a pity that although the sleeve is the same as released by French RCA, his name is incorrectly spelt on the British version and on the record itself and that also since crossing the Channel, *Let's Fall in Love* has mysteriously become titled *Let's Do It*, again on record and sleeve.

A lot of trouble and, I fancy, money went into the production of *Reflections* (Columbia SCX 6465, £2.05). Until about a year ago a friendly young man from Portuguese Goa played guitar nightly in a drinking spot off New Bond Street to the sadly indifferent enthusiasm of the clientele. In fact the patron's wife used to become extremely tetchy when instead of the usual bar background music, he niftily slipped in a snatch of what she gratefully called "your jazz." He made a couple of Indian-influenced LPs but now EMI, no doubt hoping to give him a wider audience, has supplied three top arrangers, lush strings and orchestra and presented the guitarist, Amancio D'Silva, in a setting which, although admittedly not strictly jazz, is nevertheless hugely satisfying to listen to.

D'Silva, also influenced by Charlie Christian, inevitably shows his Portuguese background as well as his Indian—many times one swears he is playing a mandolin. For the most part opportunities to improvise are limited by the boundaries of the arrangements—all excellent, incidentally. Eleven of the dozen selections are, as the album title implies, in the dreamy category and he plucks away tunelessly against the orchestral background. Unsurprisingly, the most successful tracks from the jazz viewpoint are the ones directed by jazzman Stan Tracey, which include the final burner *Raga Soga*.

The LP deserves much success if only to bring Amancio D'Silva's name to many more people, but I cannot imagine the record company has done his, or their, cause much good by the instruction to retailers on the back of the sleeve: "File under Jazz: Avant (sic) Garde."

Assembly Hall, Edinburgh

# King Lear

by B. A. YOUNG

Toby Robertson has staged the Prospect company's *Lear* on a plain, flat platform backed by a curtained box that serves only as an out-of-sight collecting point, never as an inner stage. No scenery, no props beyond the obligatory stocks and stools, no colour in stage or costume but off-white and a porridgey dun. The ubiquitous woodwork of the Assembly Hall has this year been sanded to a medium blond, and the usual black velvet hangings, on a back wall replaced by a neutral brown curtain. The lighting is kept hard and white as throughout.

Against this totally uncommitted background the players must project the story through their acting with no help but an occasional drum-beat or trumpet-call, or an economical comment from a hidden player and a persuasion battery.

William Gaskill produced his Royal Court *Macbeth* on exactly the same principle, he even chose the same colour, or lack of colour, for his scheme. I found it unsympathetic then, I found it powerfully effective now. What the reason is, I can't tell, but I did Mr. Gaskill an injustice, I apologise.

At the core of this production is Timothy West's mastiff-like Lear. It could be argued that Mr. West is too young for this part, and indeed you wouldn't think he was near "four score and upward" at the start of the evening; but then what Lear is? Mr. West has taken advantage of his physical characteristics to give the King a strongly Churchillian aspect. The bowed shoulders above the strong torso, the head thrust questingly forward, are strongly reminiscent of the Churchill I remember during the war, and this, to me at any rate, has an extra, almost unbearable, sting of pathos when, still recognisably as the King, he crawls on all fours sword play.

There is a good Fool for Ronnie Stevens, who demonstrates once more how much good comes depend on their during the war, and there are some excellent actors (John Fisher) with the rare quality that they really are what they are.

It was imaginative casting to have Generali and Regan (Caroline Blackiston and Diane Fletcher) both taller than the King, so that they can dominate him physically as they dominate him socially. Cordelia (Fiona Walker) is smaller and takes her place as the baby of the family, with all the unfair advantages this situation can hold.

Most interesting of the other performers is Matthew Long's Edmund, blandly confiding his villainous to the audience—very good, this. As his half-brother Edgar, John Shrapnel is at his best simulating poor Tom; John Bailey is sturdily dignified as their father Gloucester, and makes less fuss about having his eyes put out than he would, especially as this is preceded by a particularly creepy passage in which Regan and Cornwall (Terence Bayler) walk menacingly round the chair in which he is pinioned with a touch of real contemporary Schaudernrude.

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**Weekdays 10-6 (Tuesdays 10-9) Sundays 2.30-6**  
**Admission: 30p. Students and OAP's 20p.**

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**Admission: 30p. Students and OAP's 20p.**

Moody's	Aug.	Aug.	Month	Year

**HIDES**—Leeds: Prices slightly firmer on the heavy ox, clearance very good. Second clear ox 13-21.5 piles 13.75. 26-30.5 piles

MARK LANE—Average sellers' quotations per long ton for prompt delivery London area: Wheat: Soft milling £24.50

Indian Government has accepted a vessel of 13,500 tons for wheat from Churchill to India at \$4.73 f.d. and a bulk carrier of 25,000 tons on the same run at \$4.25, both for Sept. 1-10, but

MARK LANE—Average sellers' quotations per long ton for prompt delivery London area: Wheat: Soft milling £24.50

U. 1144. *C. cincta* goes easier. Quota-  
 us c. and f. U.K. for Aug. shipment:  
 ounce 40-inch \$8.90, 7½ ounce \$5.17 per NIB  
 yards; Sept. \$8.94 and \$5.23; Oct.-Dec. the b  
 73 and \$5.14. "B" twills \$17.57, \$18.07 clear

**DES—Leeds:** Prices slightly firmer on heavy ox, clearance very good. Second ox 27-31.5 kilos 13.70, 28-30.5 kilos

Moody's	Aug.	Aug.	Month	Year

33 Basis Lubbock, Texas.  $\phi$  New contract.

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## American News

### East-West stock link suggestion

By Jurek Martin

NEW YORK, August 25. THE American Stock Exchange, the second largest in the country, is contemplating a major link with the Pacific Coast Stock Exchange in order to give West Coast investors greater access to the New York market, according to Mr. Paul Kolton, the new president of the AMEX.

It stems from a staff study by the Exchange inquiring into the best ways by which greater integration of the two exchanges' facilities might be achieved. The AMEX has yet to decide which of the various alternative plans it will advance; however, the broad idea of greater East-West cooperation falls more or less into line with the proposals for a single national stock market put forward by Mr. William McChesney Martin in his recent report on the securities industry.

It seems unlikely that the AMEX will try to establish a separate trading floor on the West Coast—which would be both an expensive venture and, in certain respects, contrary to the spirit of the Martin Report. More probable is some form of integration of services. This might include an extension of AMEX trading hours to compensate for the three-hour time difference between East and West Coasts.

### British envoy still alive

By Hugh O'Shaughnessy

HE FORBIGN and Commonwealth Office yesterday said there was no evidence that Mr. Geoffrey Jackson, British Ambassador to Uruguay who has been in the hands of the Tupamaro guerrilla organisation since January 8, was still alive and in good health and that every effort is being made in London and Montevideo for his release.

## VEST INDIAN FEDERATION

# Plans for new political union

By David Lascelles

SIX YEARS after the West Indian Federation collapsed and broke up into an assortment of colonies and associated and independent States, a new move is afoot to form a political group for the region. Earlier this summer Heads of State from most Commonwealth Caribbean countries assembled for secret talks at a luxury hotel outside Georgetown, Guyana. The outcome was the so-called Declaration of Georgetown, which has used a stir even though not a word of it has been published. It did not a single person who attended those talks is willing to break the vow of secrecy that was imposed.

### Enthusiasm

However, it was announced at the Governments which attended the meeting—St. Kitts, Nevis, Dominica, St. Lucia, St. Vincent, Grenada, Trinidad and Guyana—committed themselves to the idea of political union and agreed, with a few minor exceptions, on procedures to be adopted to achieve it. It was stressed that these procedures could entail close consultation with the people.

INTERNATIONAL  
FILM  
TV-FILM  
AND  
DOCUMENTARY  
MARKET

24th CINE-MEETING MILAN 22-30 OCTOBER 1971

The International Film, TV-Film and Documentary Market (MIFED) is an international centre where feature, TV and documentary films are traded on a worldwide scale. Contacts are made there for negotiating agreements in any branch of film production, co-production, financing and the issue of import and export licences. Its comfortable quarters are provided with all modern facilities and include numerous studios for the projection of cinema and TV films. International telephone, cable, telex and telephoto services are available. Conference rooms and offices. All forms of business and secretarial assistance. Legal and notarial consultants. Medical advice. Dining rooms and bars. Advance bookings should be made to MIFED by letter or cable before 25 September.

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Does this new move have any greater chance of success than the first? There are two important differences between the present situation and that which existed in the mid-fifties when the Federation was being planned, which suggest that it does. This time the steam has been raised locally, not in London, and this immediately indicates a higher level of enthusiasm. The impetus came from the Anguilla crisis which crystallised a growing sense of regional purpose. There is no suggestion that it was connected with Britain committing itself to the EEC.

A routine meeting of East Caribbean Government leaders happened to be taking place when the British Government published the Anguilla Bill which detached the island from the associated state of St. Kitts-Nevis-Anguilla earlier this summer. The leaders were incensed by the unilateral interference in the internal affairs of a responsible state, and agreed to hold an early meeting to discuss their solidarity and take action to prevent further such "imperialist" action. Thus the Grenada talks.

The technical difficulties of achieving union are in fact fewer than the obstacles posed by politics and personalities, and it is these that will probably dictate the chances of success. Caribbean politics tend to be conducted by purposeful individuals: Mr. Bradshaw in St. Kitts, Mr. Barrow in Barbados, Mr. Gairy in Grenada and Mr. Burnham in Guyana for instance. They presumably would have to submerge their wills in a common destiny, and their ability to do this is widely questioned. It is understood that laughter greeted the assertion by Mr. Gairy at the Grenada meeting that each of the leaders present would be prepared to resign to clear the way for unity.

As for policies, most of the would-be members have such similar economies and so little room for individualism that adjustment to each other's ways would not be difficult. They are mostly after the same type of investment, they are all dependent on the same markets, and all but Guyana are geared to tourism.

### Absentees

There is however, the question of Guyana's decision to become a "co-operative republic" and go the way of self-help. The country's emphasis on Government economic intervention is strong, though the take-over of Demerara Bauxite Company does not necessarily mean that widespread nationalisation is planned. Against this, the islands are more firmly committed (in fact they have little choice), to the principles of free enterprise. The region's industrial and commercial associa-

tion recently made a formal declaration of its support for free enterprise and accepted socialism only insofar as it was absolutely necessary within a Western system. Notable absentees from the Grenada meeting were Jamaica and Barbados. The fact that Trinidad only sent its Health Minister need not indicate coolness for the idea in Port of Spain. The minister is head of Dr. Williams' ruling party which committed itself in its manifesto to seeking ways to political unity, and he is said to be a close confidant of the Minister. His presence will be vital to offset the dominance of Guyana whose hegemony is feared and whose policies are not widely acceptable among the smaller islands.

Jamaica's absence is understandable. It was a "new body" the "company council"—one-third of whose members would be company employees, elected by company employees. The other two-thirds would be elected by the company's shareholders.

Mr. Nordil, who was addressing a meeting of Labour Party and trade union officials preparing for next month's local Government elections, said the "company council" would be empowered to elect the company's Board of directors and would help take decisions concerning changes in working conditions, or major investment plans.

In the case of limited companies with between 50 and 200 employees, the Government would propose a change in the law to give workers in these companies the right to elect from their own ranks at least a third of the members of the Board.

### Speculation

The word "speculation" is being avoided. Not only does it hark back to the earlier Federation whose collapse occurred in the hands of more educated West Indians, but it also prematurely suggests a format for the new grouping, and this has definitely not yet been decided upon. The talk is of a "loose confederation" probably with Dr. Williams as its leader, which would later become a tighter grouping with stronger federal powers. The need for a powerful centre is recognised since it was the absence of such powers that is most often blamed for the Federation's failure.

But until the declaration of Grenada is published on November 1, most remain speculative and although the volatile West Indians are not exactly holding their breath, they do not want to say too much for fear of spoiling something most of them probably want.

# Thieu plans to go ahead with October election

SAIGON, August 25.

PRESIDENT Nguyen Van Thieu told his campaign managers to-day to continue preparations for an October presidential poll, demonstrating his determination to go through with a non-contested election. But American diplomatic pressure for a compromise which would give a choice on October 3 continued, as U.S. Ambassador Ellsworth Bunker held two meetings with the President in the morning and late afternoon.

A U.S. Embassy spokesman gave no details of the meetings other than to confirm that they took place, but diplomatic sources have spoken of a confrontation between the two men on the election crisis. Political tension was accentuated by an allied military announcement to-day that they expected a new climax in Vietnamese ground and terrorist attacks in the next few days linked with the Lower House parliamentary elections on Sunday. A state of increased preparedness by the American military and the highly unpredictable political situation still

has done little to ruffle the calm of the city. After a speech behind closed doors to his campaign managers, Thieu supporters passed on to waiting journalists the first indication, direct from Mr. Thieu, what his intentions for the election were. The President told his managers to go ahead with their preparations and pointed out that legally there were two candidates' names on the ballot, himself and Vice-President Nguyen Cao Ky.

The Vice-President withdrew from the race on Monday, charging, according to an explanatory letter sent to Ambassador Bunker and released to-day, "that the significance of this election has been damaged beyond remedy by the manipulation of the election process." But Mr. Ky withdrew tonight to have his name withdrawn from the ballot, according to Supreme Court officials.

The President, Saigon television reported to-night, will broadcast on the political situation some time after Sunday's election for the Lower House. He is then expected to reject the charges of election fraud made

by Mr. Ky and the third candidate, former head of state General Duong Van Minh, to explain their withdrawals. Mr. Thieu is also understood to have told his campaign managers that the only thing that could interrupt their preparations for the election might be a ruling by the Supreme Court. But he did not spell out what the Supreme Court could or would do to affect the voting or the election date.

The Lower House elections may now turn into a game of opposition, feeling about the charges made against the President. With no public refutation of the voting fraud charges from Mr. Thieu before the country's voters go to the polls, it is possible the question of speeding up the flow of passengers and goods traffic between West Germany and West Berlin—as soon as the agreement has been signed.

After a Cabinet meeting to-day, the Government spokesman, Herr Ahlers, said the interests of West Germany and West Berlin had been taken care of in the negotiations. The Federal Government had agreed to accept the Berlin agreement—assuming that negotiations with the East Germans were successful—an important contribution to reducing tension in central Europe.

A statement described the agreement reached by the Four Powers as significant progress in this direction. It was encouraging confirmation of the Government's policy of peace and of creating normal relations between countries.

### Missgivings

In West Berlin, the Senate decided that the agreement fully served the vital interests of the city. After a meeting of the Executive Committee of the Parliamentary Opposition party, the Christian Democratic Union and the Free Democratic Party, it was admitted that some of the points which had caused misgivings during the negotiations had been satisfactorily cleared up—"thanks to the determination of the Western allies and in spite of the intractability of the Federal Government."

Reuter adds from Washington: Secretary of State William Rogers conferred to-day with Soviet Ambassador Anatoly Dobrynin on the new four-power agreement on the future of West Berlin and other international issues. Mr. Dobrynin, who is leaving soon for a visit to Moscow, met Mr. Rogers at his own request.

## European News

### W. Germany welcomes Berlin pact

By Our Own Correspondent

BONN, August 25. THE WEST German Government and the West Berlin Senate have expressed their approval of the draft agreement on Berlin, concluded by the Four Powers on Monday. Bonn is ready to start negotiations with the East Germans on the question of speeding up the flow of passengers and goods traffic between West Germany and West Berlin—as soon as the agreement has been signed.

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### Norway plans workers' say in companies

By Our Own Correspondent

OSLO, August 25. A RADICAL new scheme to give workers a say in management of privately owned concerns has been announced by the Norwegian Labour Party. Mr. O. Nordil, Minister of Labour and Local Government, said the Government would ask the Storting (Parliament) to approve a change in the laws regulating limited companies so that all companies with over 200 employees would have to create a new body—the "company council"—one-third of whose members would be company employees, elected by company employees. The other two-thirds would be elected by the company's shareholders.

Mr. Nordil, who was addressing a meeting of Labour Party and trade union officials preparing for next month's local Government elections, said the "company council" would be empowered to elect the company's Board of directors and would help take decisions concerning changes in working conditions, or major investment plans.

In the case of limited companies with between 50 and 200 employees, the Government would propose a change in the law to give workers in these companies the right to elect from their own ranks at least a third of the members of the Board.

# New Greek Cabinet may be more liberal

BY OUR OWN CORRESPONDENT

ATHENS, August 25.

AFTER the enforced resignation of the entire Greek Government yesterday, Mr. George Papadopoulos, the Prime Minister, is due to announce his new Government to-morrow. His choice of Ministers will indicate whether Mr. Papadopoulos intends to liberalise his regime by bringing in more technocrats and former politicians.

Some observers here still believe that the Prime Minister will resist the inclusion of former politicians in his Government at this stage, to avoid giving the impression that he is bowing to American pressure for a speedy return to Parliamentary rule.

The assumption so far, however, is that Mr. Papadopoulos has been influenced at least partly by the vote of the U.S. House of Representatives early this month to withhold \$118m. worth of military aid to Greece until there were clearer signs of a return to democracy. Certainly the most significant aspect of the reshuffle is the resignation of seven Army officers from their posts of secretaries-general in various Ministries and their

probable appointment as secretaries-general of seven newly created prefectures. Army officers, some of whom were among Mr. Papadopoulos's closest collaborators at the time of the military take-over in 1967, have in most cases wielded more power than their Ministers. Important as their new jobs are in terms of maintaining tight Government control over the provinces, it is clear that they have been removed from the centre of power.

The changes in the administrative organisation of Greece and the division of the country into seven prefectures are contained in a new law published in the official gazette to-day. The law meant to streamline the administration reduces the number of Ministers from 18 to 13 and increases the Under-Secretaries from 10 to 23.

Under the new law the Ministry of Economic Co-ordination is renamed Ministry of National Economy and its powers are increased to encompass the sectors of industry, commerce, labour and agriculture. Ministries for these four sectors are abolished to allow for more

concerted planning. The new law also creates a five-member committee for economic matters to guide the Government on major economic issues. According to informed sources, Mr. Costas Papadopoulos, brother of the Premier, and so far Secretary-General to the Ministry to the Prime Minister's office, will take charge of the prefecture of Attica and the islands. Mr. George Georgalas, so far Under-Secretary for Press and Information, and closely associated with the resented new press law will become governor of Crete.

Mr. Ioannis Ladas, so far Secretary-General to the Ministry of the Interior, will take over Thessaly and Mr. Costas Karydas so far Secretary-General to the Ministry of Public Works will be given the Peloponnese.

According to the same sources, Premier Papadopoulos intends to keep the other two members of the revolutionary triumvirate in key positions. Mr. Stylianos Pattakos, who was Minister of the Interior, is expected either to keep the same Ministry or to assume the Ministry of National Defence and Mr. Nicholas Makarezos is expected to remain in charge of the economy.

# VW raises export prices

BY CHRISTOPHER LORENZ

BONN, August 25.

VOLKSWAGEN is planning to increase retail prices in most of its export markets, including the United States. Although President Nixon's import surcharge has already placed imported cars at a price disadvantage relative to U.S.-produced vehicles, Volkswagen does not expect this new price increase to affect its U.S. sales to a considerable extent.

The German company is in some doubt, however, about whether its American company will be authorised to make such an increase at a time when the nation is bound by a 90-day price and wages freeze. VW charges the increase has been necessitated by the continued upward floating of the D-Mark. It states that the effects of the float can no longer be offset within the concern.

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# Brezhnev may lead delegation to Paris

BY ADRIAN DICKS

PARIS, August 25.

MR. LEONID BREZHNEV, leader Soviet Communist Party, is now expected to lead the delegation due to pay an official visit to France at the end of October. It was understood here to-day that he may be accompanied by the Soviet head of State, Mr. Nicolai Podgorny.

There has been considerable speculation in French diplomatic circles as to which of the Soviet leaders would take up the invitation extended to all of them by President Pompidou when he visited Moscow last October. Up to now the Russians have given no formal clue who would accept.

One reason why they now appear to have decided that Mr. Brezhnev himself will now come is the belief that a high-ranking Chinese delegation will visit France during September: the name being most frequently mentioned is that of Mr. Lin Biao.

Sien-Nien, a Chinese Deputy Prime Minister. If Mr. Lin, or someone of equal status in the Peking hierarchy, does visit Paris next month, it would be natural for the Russians to wish to "cap" the effect with an even more senior delegation. At the ceremonial level, therefore, the "special relationship" with Moscow to which General de Gaulle aspired may be about to bring in bigger dividends than he can have foreseen if it puts France in the position of being wooed by both China and Russia.

Our East European Correspondent adds: This will be Mr. Brezhnev's first visit to Western Europe since he became Soviet Party leader at the end of 1964. It will thus be a landmark for him personally, but also underlines the importance attached by the Soviet authorities to their "special relationship" with France.

WEST GERMANY'S balance of trade surplus in the first seven months of this year was almost exactly the same as in the equivalent 1970 period, DM 8,281m. compared with DM 8,283m. The July 1971 surplus was DM 1,394m. compared with one of DM 937m. the previous month and DM 1,944m. in July 1970.

Last month's rate of export increase against a year before was thus considerably smaller than the rise in imports, 5 per cent. compared with 12 per cent. According to the Federal Statistical Office, import prices in July were 1 per cent. lower than in June, the same decrease as between May and June.

Export prices, on the other hand, rose by 0.2 per cent. between June and July. The index of 122.1 was 4.4 per cent. higher than a year before. Meanwhile, try to renew the momentum of the "New Society" policies show that in the first seven months of the year the balance of payments on current account ran a deficit of DM 500m.

# French unions unity plan

BY ADRIAN DICKS

PARIS, August 25.

THE LEADERS of France's two largest trade union groups, the Communist-led Confédération Générale du Travail and the Socialist Confédération Française Démocratique du Travail, were meeting here to-day in an effort to co-ordinate policy for the coming autumn and winter.

In the past, relations between the two groups, each of which has affiliated unions in most major French industries, have varied a good deal. At the present time, however, there seems to be genuine interest by both in joining tactical forces. One reason for this is that the CFDT has a new Secretary-General, Mr. Edmond Maire, who is more radical than his predecessor.

A further reason for the unions to want to co-ordinate their claims is the relative success they scored by joining forces last December after an autumn of bitter rivalry. Since this time last year there has been an in-

crease in real wages of 5.2 per cent. There are signs that the Government is increasingly preoccupied with the prospect of a round of wage claims beginning next month, when industry will be back at work after the August holiday period. One immediate priority for the Prime Minister, M. Chaban Delmas, will be to try to renew the momentum of the "New Society" policies show that in the first seven months of the year the balance of payments on current account ran a deficit of DM 500m.

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# BANK OF LONDON & SOUTH AMERICA LIMITED

The Bank of London & South America Limited wishes to inform its clients that negotiations have now been concluded for the sale of its banking network in Chile to the Banco O'Higgins. This will include the branch in Santiago, together with the four agencies there, and the branches in Concepcion, Punta Arenas, Rancagua, Valparaiso, and the agency in Vina del Mar. The transfer will become effective as from the 30th August 1971 and from that date the Banco O'Higgins will take over all the assets and assume responsibility for all the liabilities of the Bank of London & South America Limited in Chile. London, 26th August 1971.

# GRIFFITHS BENTLEY & CO

(The Engineering Group)

Salient points from the annual review of the Chairman, Mr. J. C. Court.

The year to 31st March, 1971 was a very satisfactory one from all points of view. Pre-tax profits rose from £122,551 to £237,394 and the dividend distribution was doubled at 20%.

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During the year we made three major acquisitions, two of which have already reported annual profits above those forecast. Despite the recession in industry we are confident of another satisfactory year in which the benefits of the integration of recent acquisitions will be reaped.

An excellent spirit exists on all levels in the Group, which augurs well for future progress.

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## Export News

## LICENSING

## Dowty pumps to be made in America

DOWTY Hydraulic Units has granted to the Parker Hannifin Corporation of Cleveland, Ohio, one of America's largest producers of hydraulic components—an exclusive distributing and manufacturing licence for Dowty Vardis pumps.

"Recent visits to a number of potential end-users of Vardis pumps in America have convinced me that the future demand there, as elsewhere, will more than justify the effort involved in our five-year development programme for the Vardis project and will result in substantial benefits both to Parker Hannifin and Dowty," commented the company's sales director, Mr. J. St. H. Webb.

The pumps were designed and developed by Dowty technical developments, the Dowty Group's research facility, and are now in volume production in Britain.

## AVIONICS

## Fatigue meters for Luftwaffe Starfighters

BY DAVID CURRY, EXPORTS EDITOR

THE Croydon-based aviation instrument company, Negretti and Zambra (Aviation) has won an order worth nearly £500,000 to supply fatigue meters for the German Air Force's squadrons of about 1,000 Starfighter aircraft. It is part of the modification of the F104G Starfighter in the wake of a series of Starfighter crashes.

The instruments will be fitted in the airframe of every Starfighter to monitor the rate at which its fatigue life is being used.

The meter has been developed by the company in close co-operation with the Royal Aircraft Establishment at Farnborough. It senses and counts the severity and number of "g" loads—gravitational stresses—produced by air turbulence and manoeuvres during flight.

The cumulation of these loads can cause metal fatigue and structural failure, but by relating the meter's readings to a formula worked out during development testing of the aircraft it is possible to tell how much of the safe fatigue life of each plane has been used.

Previously it has tended to be assumed that all aircraft of a particular type will fatigue at the same rate during a given flying time.

Tactical communications systems worth more than £100,000 are to be installed on Italian Carabinieri helicopters by Marconi-Elliott Avionic Systems, a GEC-Marconi Electronics company.

The Type AD1400 equipment the company claims, provides for the first time in a single system all the short range v.h.f. and long range h.f. communications necessary to keep a pilot in constant touch with both forward positions and base control.

The equipment will be fitted to the Agusta-Bell 205 helicopter, a multi-purpose machine with troop or passenger carrying capacity or for use in a casualty evacuation or tactical support role, and on the 206 which is a light transport machine.

Canada International Airways has ordered a third Fokker Fellowship aircraft bringing sales of the aircraft to 44. The aircraft is powered by two Rolls-Royce Spey jet engines and Short Bros. and Harland are responsible for some of the components, including the outer wings.

## Trade with Comecon under EEC

By David Curry

THE Confederation of British Industry is holding a teach-in to discuss the Common Market's regulations concerning trade with Eastern Europe.

The EEC has agreed that its commission will negotiate trade agreements with Comecon countries from 1973. Until then the individual states are obliged to consult each other when concluding bilateral trade agreements; all these agreements are due to expire in 1975.

The CBI seminar at its London headquarters on September 10 (lunch will cost £3) will be addressed by Dr. K. Terfloth, the chief of cabinet of Professor Dahrendorf, the Commissioner for External Relations.

Topics to be covered include the evolution of the EEC's commercial policy towards the Eastern bloc countries; the extent of liberalisation and harmonisation between member states; likely future developments; and the impact on British industry if Britain enters the Common Market.

The CBI is limiting attendance to one representative from each company.

## Sitting it out in the cold

A LUTON plastics company is about to dispatch its first export order—over 8,000 spectator seats to the Calgary Stadium in Alberta, Canada.

Pillar Plastics, a member of the RTZ group of companies, was awarded the contract to supply the seats after a director of the Calgary Stadium had seen them at a London football club.

He asked for 30 sample seats to be sent to Canada for testing, and after satisfactory results Pillar closed the deal.

Called Stadium Seats, they have moulded seats and backs in high density polyethylene and are fitted to one-inch-square tubular frames coated in nylon. Pillar is sending 8,200 complete with frames. The seats are coloured red, blue, orange and grey.

They must arrive at the stadium for fitting between the middle of September and the middle of October. After that date 30 degrees of frost is not uncommon and would make installation virtually impossible.

## Reflected glory

An order from Singapore for 30 brilliant cut glass mirrors has been received by Reed Milligan of Gateshead, County Durham.

The Victorian style mirrors are for the Cockpit Hotel in Singapore and the designs have been selected from a catalogue issued by the company over 30 years ago.

Some of the mirrors will be fitted around a curved wall at the back of a bar at the hotel. Others will be fixed on square columns, framed in the elaborate woodwork characteristic of the Victorian period.

## Plessey lands £1.25m. Danish military deal

PLESSEY has won a £1.25m. order for defence equipment to be supplied to the Danish Armed Forces.

Naval sonar equipment to be supplied will be the Plessey type MS26. This is an all-round looking sonar suitable for installation in small vessels, including escort and patrol craft down to 150 tons displacement.

A complete range of UHF/VHF multi-channel equipments for ship-to-ship and ship-to-air use and for aircraft ground control is also to be provided. The equipments operate in the ranges 100 to 155.975 MHz and 225 to 399.975 MHz and are designed for use in the shipborne environment. AM and FM operation is provided and modulation systems are compatible with voice, automatic teletype and high-speed data signals.

In the meantime the financial plan will be taking shape. Turnover targets, product prices, manufacturing and distribution costs and stock requirements will be becoming firm, and from this data capital and revenue budgets can be prepared. These may well indicate that additional capital is required and a method of raising this must be considered.

The management structure must also be taken into account. The market across the channel is four times as big as the one on this side so that the best marketing talent must be assigned to that market and all supporting services must be re-organised for European horizons.

The opportunity in Europe could well be a stimulus to a more far reaching examination of a company's policy and structure. Most companies are far too busy making this year's profit to think about long term policy and overall organisation and structure. It could well be that the envisaged expansion will finally overload the existing structure and lead to fundamental changes rather than just the realignment of the market policy and product development objectives.

Sixteen months is a short time for all these steps to be completed. Even though some of them will take place in parallel, a critical path for any product of reasonable complexity could be—

Analysis of a company's strengths and weaknesses—four weeks;  
Study and selection of suitable potential markets—eight weeks;  
Detailed product and distribution study—10 weeks;  
Product design—12 weeks;  
Material provisioning and product manufacture—18 weeks;  
Test marketing—12 weeks;  
TOTAL—64 weeks.

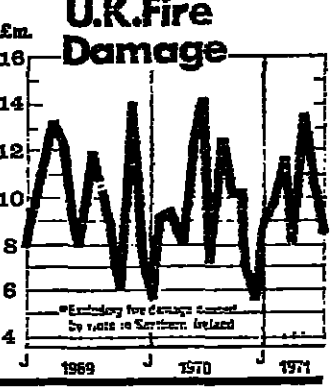
Robert Townsend in his book "Up the Organisation" asks "If you're not in business for profit, what the hell are you doing there?" Entering Europe could provide both reasons for being in business.

## July fire damage down at £8.5m.

Financial Times Reporter

ESTIMATED cost of fire damage in the U.K. of £8.5m. last month was below the monthly average for the past three years despite two fires believed to have cost about £1m. each.

According to information released by the British Insurance Association yesterday, these two large fires were at a



Northern Ireland printing plant and an oil refinery in South-East England.

There were seven other major fires, estimated to have cost more than £100,000 each, two of them between £250,000 and £500,000. There were also 16 large fires involving retail shops and departmental stores, and 12 other fires at schools, hotels and other public buildings.

The July figure of £8.5m. was £2m. below June but £1.2m. above July 1970. Total estimated fire damage for the 12 months to July 31 was £115.7m. compared with £112.6m. in the preceding period.

The BIA emphasises that the figures represent material damage only. "They do not take into account the additional loss to the economy caused by subsequent disruption of business, loss of production and loss of exports," a spokesman added.

## Rents protest by Glasgow Corporation

By Our Own Correspondent

GLASGOW, August 25.

GLASGOW Housing Committee decided today to make representations to the Secretary for Scotland on the question of municipal rent structure, rent rebates, overspill agreements and future housing programmes.

Councillor Dan Donnelly claimed that the Government White Paper on housing finance would mean excessive rises in council house rents in Glasgow.

On average it would amount to 50p per week each year for the next four to five years, he said. The city's housing revenue account was balanced. At present the local rates contributed £5.5m. and the exchequer grant was £5m. Mr. Donnelly said it was wrong to ask Glasgow to bear the brunt of such heavy rent increases in the present economic climate.

## NALGO branch in court move over Market vote

A MOVE by the Leeds branch of the National and Local Government Officers Association to stop the union supporting Common Market entry at next month's TUC conference is to be heard in the High Court on September 2.

Mr. John Rankin, QC, for the union's National Executive Council, told Vacation Court Judge Mr. Justice Brightman yesterday that the case was "yet another forensic salvo in the anti-Common Market field."

It also raised points of domestic importance for the union. Mr. Rankin said the branch sought an order cancelling motions passed by the NEC directing a union delegation to vote in a particular way at the conference. The branch issued its writ only last Friday and the NEC were raising legal points, one involving the status of the union. Certain evidence was also disputed.

Mr. Rankin said the defendants could have their evidence ready in a week.

T. A. DALY, struck off the register of companies in June, obtained an order for its restoration to the list in the High Court yesterday.

Counsel for the company told Vacation Court Judge Mr. Justice Brightman that it was struck off for omitting to make annual returns. Through a procedural error, the directors did not learn of striking-off proceedings until the manager of the company's bank informed it of the publication in the London Gazette of June 18.

Creditors were now pressing for payment but the company, still solvent but unable to pay off its debts because its bank account was frozen due to the striking-off.

The petition for restoration was not opposed by the Registrar of Companies. The Registrar of Companies also consented to the order on the company undertaking to forward, within one month, annual returns for 1970 and 1971 and notify any change in directorship.

## "GIFTS AND SOUVENIRS"

Exhibition of

Handicraft Co-operatives Goods

Bucharest 15th - 25th September, 1971



cordially invites you to visit the exhibition where there will be an exhibition of a wide and new range of folk art items made out of textiles, wood, wrought iron, knotted carpets of oriental type, Romanian carpets, various household articles, Christmas-tree decorations, etc. We are waiting for your visit in the new pavilion of Handicraft Co-operatives in Bucharest-Scinteia Square. For any information please apply to ICECOOP-Import-Export-Bucharest, 12 Marin Sergheiescu St. tel.: 460-469 telephone: 12.10.69; Cable: ICECOOP BUCHAREST-Romania.

## Private pension funds investment up

FINANCIAL TIMES REPORTER

TOTAL net investment of private pension funds in the U.K. during 1970 was £348m., an increase of £48m. on the previous year. This compares with an improvement of only £6m. between 1968 and 1969.

According to the Department, overall net investment in company securities during 1970 totalled £219m., or 62.8 per cent. of total net investment compared with 61.3 per cent. in the year before.

Net investment in property unit trust units was valued at £18m., about one-fifth lower than in 1969, while net investment in land, real property and ground rents at £22m. was £22m. below the high level achieved in 1969.

The Department figures reveal a considerable build-up of cash and short-term assets during 1970 which, together with a fall in short-term liabilities, represented 25.6 per cent. of total net investment, compared with 21.1 per cent. in 1969.

The estimate of holdings of assets at the end of the year increased by 3.1 per cent. from £4,488m. at the end of 1969 to £4,627m., but this figure was still some £40m. or 1 per cent. lower than the 1968 level. The net disinvestment in public sector securities during 1970 is reflected in the year-end holdings figure which at £675m. was £37m. below the figure for 1969.

Investment in Ordinary shares, at £165m., was more than twice

the level for 1969 but was still below the peak recorded in the year before. For the second year running there was also a small net investment of £3.8m. in Preference shares.

Figures from the Department of Trade and Industry released today also show that there was net disinvestment of £29.5m. in public sector securities during 1970, the highest level recorded since Department statistics were started in 1963.

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## U.K. recovery will continue despite dollar crisis

THE British economic recovery will go ahead despite the dollar crisis, according to the economic editors of Management Today.

In the September issue, published today, they forecast a balance of payments surplus of at least £500m. this year, a growth rate of 3 per cent. in the final quarter, and an annual rate of 4 per cent. next year.

President Nixon's "package" gives grounds for expecting a sharp improvement in the U.S. balance of payments position in 1972, the authors add.

On the U.S. domestic scene, the tax concessions will stimulate the economy to faster growth. Output should rise significantly faster in the rest of 1971, and possibly even as high as 6 per cent. in 1972.

Meanwhile, the wage-price freeze will provide a breathing space in which the Americans can try to work out some mechanism to curb inflation.

The authors do not expect a slowing-down of world trade. "There is no shortage of liquidity, and the ultimate raising of the official price of gold would increase the value of official reserves."

"Britain's main problems will be of her own making, if labour cost inflation is allowed to continue at a faster rate than in other countries."

But they believe there is virtually no doubt that the economy will be stimulated. "The chances are that the recovery is imminent."

The interesting question is "what the pace of the expansion will be and how acceleration will be limited. The dip in the first quarter of 1971 was severe, though brought on by special factors, such as the strikes."

"The authors estimate that production in this period was down 1 per cent. on the same half of the previous year."

"The prospective recovery must be projected from this depressed level," they add.

"To this extent the pick-up in the second quarter was due almost entirely to the return to normal working. A better picture of the trend is obtained by taking the first half year as a whole."

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A stewardess in the Maharajah lounge of an Air-India Boeing 747 Jumbo jet with some of the 60 items of British manufacture which the aircraft picks up during transit stops in London. The eight Jumbo services through London a week carry British goods worth £200,000 a year, including Ostermilk baby food, Dettol, Lea and Perrins sauce as well as spirits and tobacco. At every landing each Jumbo collects £225 worth of tobacco and spirits, £100 of toiletries and £20 of dry stores.

## THE COMMON MARKET

## How to get down to the homework on Europe

IN seventy weeks' time, it is almost certain that we will become part of the Common Market. In that seventy weeks any company intending to make the most of the European opportunity has a great deal of hard thinking and hard work to get through. One thing that is certain is that last minute improvisation has no place in to-day's economic climate, and that success in Europe will come only from a carefully prepared plan based on thorough knowledge of the needs of the chosen market.

'To break existing distribution rules you have to be big and to spend a lot of money.'

Europe is, of course, a huge multiplicity of different markets. The first step, therefore, is to select the areas most suitable for the detailed study which will isolate the limited number of narrow fronts on which Europe is to be entered. In doing this, it is necessary for the company to examine the kind of market that its products are most likely to satisfy and to specify the likely parameters of such markets. These can be defined in terms of general attributes such as relative affluence; degree of industrialisation; urbanisation; climate and specific requirements imposed, for example, by pre-existing licensing arrangements. It is then possible to select potential markets which seem to offer a suitable profile. In the case of complex products, especially those of the industrial market, establishing a suitable market profile may be complex.

Another factor to take into account is the existing state of competition. It may not be right to go to the market which offers the best overall potential; every one else will have the same idea. Better at times, therefore, to select a market which appears slightly less attractive, especially if it is still developing.

The market study is an essential stage, and it must be a detailed study in the field. It would have three purposes: To establish precisely the product and service which is likely to be attractive to the market; To examine and thoroughly understand the methods of distribution available and normally used in the market;

In his second article on the impact of the Common Market on British industry James Lines, chairman of TEAM (Management Consultants) presents a "syllabus" for gearing up a company to take advantage of the wider European market—and to avoid getting lost in it.

To learn about the cultural and social differences to be able to make use of the other

One over-riding rule is for managers to spend time in the market. This means, not just sales managers, but managers at a senior level responsible for every management function, and implies that they will have time to relax, think, breathe the air, absorb the customs, and understand the people. Flying visits are no substitute.

Only when a thorough study has taken place should detailed product design or marketing plans be prepared. Product design or modification can then be to a precise specification and to a defined cost. While the product design is going on, thought can be given to selecting the best route into the market both in terms of physical distribution and methods of communication.

'Most companies are too busy making this year's profit to think about long-term policy.'

Market inroads have often been made by newcomers who broke the existing distribution rules. To do this successfully, however, it is important to be big and to be prepared to spend a lot of money to establish the new approach is valid. For the small or medium sized manufacturer it is usually better to use existing channels.

If the selected route calls for the use of local distributors or agents, the selection of these is of critical importance and is probably the most neglected fact of overseas operations. By this stage the company will have a clear understanding of the turnover to be achieved in the market. It can, therefore, give its potential agents very clear terms of reference and can set targets for achievement, and will expect that the potential agent has achieved a similar level of performance with a similar product.

In the meantime the financial plan will be taking shape. Turnover targets, product prices, manufacturing and distribution costs and stock requirements will be becoming firm, and from this data capital and revenue budgets can be prepared. These may well indicate that additional capital is required and a method of raising this must be considered.

The management structure must also be taken into account. The market across the channel is four times as big as the one on this side so that the best marketing talent must be assigned to that market and all supporting services must be re-organised for European horizons.

The opportunity in Europe could well be a stimulus to a more far reaching examination of a company's policy and structure. Most companies are far too busy making this year's profit to think about long term policy and overall organisation and structure. It could well be that the envisaged expansion will finally overload the existing structure and lead to fundamental changes rather than just the realignment of the market policy and product development objectives.

Sixteen months is a short time for all these steps to be completed. Even though some of them will take place in parallel



Other Overseas News

IN BRIEF

**MANILA** — Bomb-throwers back again after President Ferdinand Marcos said he might declare martial law to beat terrorism. Police said unidentified persons tossed explosives, believed to be dynamite, at the residence of Senator Jose P. Romualdez, Eduardo Cojuangco in Quezon City.

**CEYLON** is to receive an Asian Development Bank loan amounting to \$3.5m. for a communications satellite earth station project, the bank's first loan in the field of telecommunications.

**GENEVA** — The International Council of Jurists welcomed the appointment of a defence counsel for East Bengal leader Sheikh Mujibur Rahman, but asked that the trial be held in public.

**ISRAEL'S** output from oil-wells in the Sinai which have been worked since the six-day war will reach \$m. this year (worth roughly \$80m.). The wells which were opened up by a partnership of the Egyptian Government and ENI are at present being operated by an Israeli governmental company "Oil Lines."

**NEW DELHI** — The United States Ambassador to India denied his country was supplying Pakistan with arms from Vietnam and training Pakistani officers in counter insurgency. Ambassador Kenneth Keating also denied plans to transfer U.S. troops from Vietnam to East Pakistan or that U.S. jets were being used to ferry Pakistani troops from West to East.

**BANGKOK** — Government forces were reported to-day to be preparing to attack a major guerrilla base in southern Thailand after capturing an outpost. Police sources here said that four companies of troops and police occupied the outpost on the (Wang mountain range in Surat Thani province, about 585 miles from Bangkok.

**PAKISTAN** has furnished to China a list of projects to be financed out of \$200m. Chinese can offered in November last year. A Chinese team has visited Pakistan for study and investigations. Thirty-three per cent of the aid was a commodity loan under which three coasters recently arrived in East Pakistan. China will also supply 100,000 tons of rice.

**AUSTRALIA'S** Ambassador in Moscow, Mr. F. J. Blakeney, is to make an official visit to Mongolia, the first by a representative of the Australian Government.

# Amin flies to scene of alleged border fight

BY OUR OWN CORRESPONDENT

**KAMPALA, August 25.** PRESIDENT Idi Amin of Uganda's Cabinet held a special meeting here to-day to study the situation, after which General Amin left for the border. He said there was no need for alarm and the situation was under control. Fire across the border is understood to have continued for several hours but it is not known whether there were close battles between the troops.

Bridget Bloom, Africa Correspondent, adds: Reports of the incident emanating from the two capitals remained conflicting to-night. There now seems little doubt that fighting of some sort has taken place, and it has been confirmed from both Dar es Salaam and Kampala that it was sparked off when four Ugandan soldiers (unarmed according to the Ugandans, probably armed and certainly violating Tanzanian territory, according to the Tanzanians) clashed with a group of Tanzanians.

But reports that Ugandan troops, reinforced by detachments from the two major barracks of Masaka and Mbarara in south-east Uganda, had penetrated several miles inside Tanzania with tanks and heavy artillery could not be confirmed. Neither could reports that Chinese personnel had been involved on the Tanzanian side. Tanzania has categorically denied this.

It should be emphasised that in spite of the disagreements between the two countries, stemming from President Nyerere's refusal formally to recognise Gen. Amin's takeover, there is no casus belli.

Until it is proved to the contrary it remains a strong possibility that the Ugandan authorities have blown up the scale of the fighting in Mutukula for domestic political reasons.

# Cairo reaffirms UN attitude

BY OUR OWN CORRESPONDENT

**CAIRO, August 25.** EGYPT still adheres to President Anwar Sadat's February initiative to negotiate a partial settlement of the Middle East crisis and the Suez Canal, the official spokesman Tahsin Badr said last night. He added that Egypt was still seeking the implementation of the 1957 Security Council resolution, calling for Israeli withdrawal from occupied Arab territory.

The spokesman was replying to a comment by U.S. State Department Robert McCloskey, labelling as "unfortunate" the Damascus declaration by President Sadat, Assad of Syria and Khedafi of Libya, which rejected the principle of negotiations with Israel.

Mr. Badr said Mr. McCloskey had equated the position of an aggressor who declares his intention of annexing land and continuing to occupy it with that of the Arab states whose land is occupied and who refuse to negotiate with the occupier. Such an equation was unjust, Israel's attitude was one of aggression, while the Arab stand was an affirmation of their sovereignty in accordance with the UN charter.

Mr. Badr's statement was also an implicit reply to the remark by Israeli Foreign Minister Abba Eban that the signing of the Confederation constitution in Damascus showed that Egypt was no longer interested in resolving the Middle East crisis on the basis of the Security Council resolution.

Meanwhile, Cairo continues to prepare its diplomatic offensive to isolate Israel and the U.S. at next month's session of the UN. Egypt's envoys to the UN, Washington and Moscow have been

# Treason trial adjourned

BY OUR OWN CORRESPONDENT

**CAIRO, August 25.** THE Egyptian treason trial was adjourned until September 4 after the former Vice-President Ali Sabri and 11 other key defendants to-day rejected the charges laid against them of plotting to overthrow the Government of President Sadat. They also refused to acknowledge the competence of the revolutionary court established to try them.

In front of TV cameras, a brief uproar broke out at to-day's opening session, when prosecutor Mustaf Abu Zaid started a lecture on the differences between revolutionary and civil courts, after defence counsel had argued that the 1967 Act on revolutionary courts did not cover the present case.

People's Assembly speaker Hafez Badawi, presiding with two other judges, interrupted to postpone the trial to give defence counsel time to study the dossiers they received only yesterday. He also gave them

## ZAMBIA

# Discontent becomes open

BY A SPECIAL CORRESPONDENT

LUSAKA, August 25.

THE DECISION of Simon Kapwepwe, a former Vice-President, to resign from the Zambia Cabinet to form a new party in opposition to President Kenneth Kaunda has brought into the open the discontent which has been smouldering under the surface of Zambian political life for many months. The party's formation at the week-end is now linked with the existing opposition, the African National Congress—follows months of rumours, is widely viewed as a threat to the country's future political stability.

**Plagued**

In a sense, Mr. Kapwepwe's move did not come as a surprise. Zambia has a long history of party political squabbles and some eruption in the governing United National Independence Party (UNIP) was expected at its Mulungushi conference in May. At that stage, as things turned out, the party's leadership closed ranks, displaying an apparently united front to the assembled delegates and public. But last week-end's announcement proved that the conflicts within UNIP, which have plagued it since a disastrous conference in 1967, could no longer be contained.

The present breakaway must be seen much more in terms of a straight struggle for leadership than as an ideological conflict. But the division is also partly along tribal lines, for although the former Vice-President has insisted that the new United Progressive Party is national rather than tribal, he is, like the party's declared supporters, a Bemba from the north.

The Bemba form roughly 9 per cent of Zambia's total population, the largest single group of the country's many tribes. With subtribes from the same area and with a virtual monopoly of jobs on the volatile Copperbelt, the Bemba had a commanding position in the early, pre-independence days of UNIP but a widespread feeling among the Bemba group that its full fruits of independence has been a constant theme of Zambian politics.

Bemba dissatisfaction has surfaced once or twice in the past seven years. Almost exactly two years ago, for example, Mr. Kapwepwe partly under pressure from the north, resigned the Vice-Presidency but was finally persuaded by President Kaunda to rejoin the Government. President Kaunda then displayed what has been his strength since independence: an ability to maintain a delicate power balance between Zambian interest groups by a judicious and intricate manoeuvring of the Government and the civil men and jobs between the party service. But this time the split has proved too wide.

It would be wrong to suggest that Zambia's current crisis has a purely tribal base. There are many other reasons for the general mood of discontent which exists to-day in Zambia, and while those who form the new party have been partly responsible (a fact which may deter potential supporters) they have not been slow to point to the present Government's faults.

**Depressed**

So far the UPP has not produced anything which resembles a coherent alternative policy to President Kaunda (another point against it) but its criticisms range from the Government's failure to boost agriculture to its policy towards South Africa. The formation of the UPP comes at a time when copper prices are depressed, and UPP comes at a time when copper prices are depressed, and Zambia still depends, in spite of attempts at diversification, for more than 90 per cent of its foreign exchange earnings on that commodity. Reserves have been drawn down and the Government, badly advised, has shown few signs of enforcing much needed austerity. The economic reforms, including the nationalisation of the mines which gathered radical support for President Kaunda two years ago, have been slow to take effect and have anyway done little or nothing to raise standards of living.

The economic situation has not been helped by President Kaunda's determination to cut

links with Rhodesia and his policy towards the White South in general, which shows inevitable inconsistencies, has come under heavy attack. The recent decision to import maize from Rhodesia (undertaken mainly to save foreign exchange but necessary because of the failure of agricultural and trade policies) has come under fire from the radicals, while important numbers of educated people condemn the stated policy of disengagement from the south as unnecessarily costly and idealistic.

There are then plenty of grounds for dissatisfaction, and to these must be added the increasing uncertainty and the growing inefficiency in the civil service which has partly resulted from the President's continual reshuffles of Government and official posts. But how serious is the threat to President Kaunda from the new party, with its links with the opposition?

A good many people who believe that Mr. Kapwepwe (who it is suggested may have been pushed into forming the party by more extreme politicians who saw in this a last chance to seize the initiative) has weakened his chance of support by allying himself with the ANC, whose basis of support is in Barotseland, traditionally hostile to the Bemba. Certainly Harry Nkumbula, the ANC leader, and Mr. Kapwepwe are strange bedfellows. Mr. Kapwepwe has always been considered a radical in Zambian politics. Nkumbula, on the other hand, is considered in Zambian terms a conservative who believes, for example, in the policy of dialogue with the White South.

**Better**

For the time being, all the protagonists are adamant in proclaiming their desire to avoid such an outcome. And if the crisis does resolve itself peacefully, Zambia could well be the better for it. There is some evidence to suggest that President Kaunda himself is relieved that the break has come at last, and there are certainly many within UNIP's ranks who hope that he will use the occasion to clean the party fully of its dead wood and attempt to give it a new direction. There are many, too, who would like to see, after the impotence of the ANC, a full-blooded opposition to keep the Government up to scratch.

**Temptation**

While this view of the divisions between the two men is tempered by the suggestion that Kapwepwe, essentially a pragmatist, might be prepared to be more flexible towards South Africa (interestingly the South Africans seem to believe this), the years of hostility between the two men could well in the end be decisive.

Mr. Kapwepwe however is a serious figure in Zambian politics, and the Government for this reason, if no other, cannot suc-

# Chinese party groups

HONG KONG, August 25.

CHINA'S massive task of Communist Party reconstruction following the Cultural Revolution is now nearer completion with formation of new party committees for Tibet and Szechwan province.

The 505 delegates to the Tibet congress in Lhasa elected Mr. Jen Jung, a political commissar of the Tibet military region of the Chinese People's Liberation Army, as first secretary of the committee, the agency said. Mr. Jen told the congress that the situation in Tibet had improved over the past two decades. But he indicated there was still support for the Dalai Lama.

The Chengdu congress in Szechwan elected as its first secretary Mr. Chang Kuo-hua, a political commissar in the Army.

# New attack on Peking

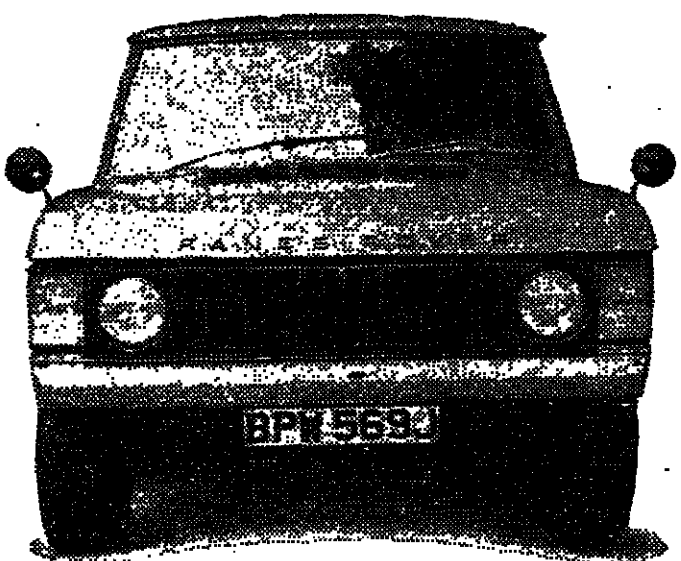
MOSCOW, August 25.

AIDED by a "differential approach," Peking is trying to shake up the Socialist community and pull some countries under against the Soviet Union, its agents, the Government newspaper Izvestia said to-night. "Differential approach" was an apparent reference to Romania and Yugoslavia.

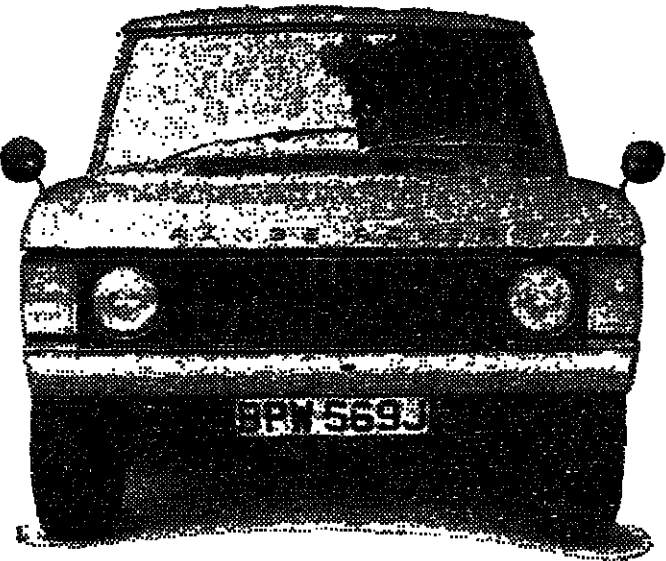
"With the help of a differential approach, the Chinese leaders try to shake up the Socialist community and pull some countries under to their platform and turn the countries of Asia and Africa against the Soviet Union," Izvestia said in an article headed "the unwise course."

It added that Peking was "playing on the contradictions between the Socialist countries" to win economic assistance "from the Imperialist powers of the West and Japan."

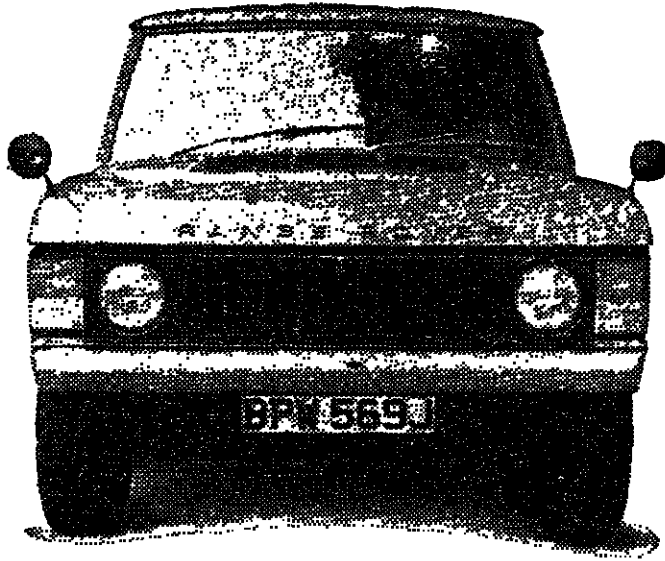
# There's a lot to be said for owning four different cars.



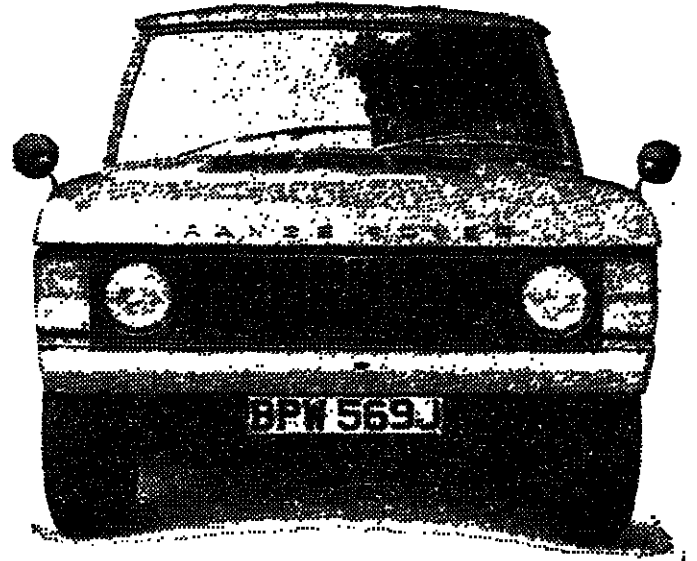
**A luxury car**  
Sunday Telegraph—  
Courtenay Edwards  
"It is a luxury car as well as being one of the sturdiest and most versatile cross-country runners in the history of motoring"  
Autosport—John Bolster  
"One would not hesitate to use this vehicle for the smartest evening functions"  
Observer—Gordon Wilkins  
"I thought the seats outstandingly comfortable"



**An estate car**  
Observer—Gordon Wilkins  
"It must swiftly become the prestige vehicle for towing caravans, horse boxes and cabin cruisers and will be equally suitable for long, fast holiday trips with heavy luggage"  
Practical Caravan  
"Three people sitting on the rear seat would have more than enough space and it is not impossible to seat four. The rear seats fold down to give a fabulously large luggage deck and almost 60 cubic feet of loading area"



**A cross-country car**  
Autosport—John Bolster  
"By far the most impressive feature is the suspension. In spite of having beam axles at both ends, the Range Rover is entirely free from pitching and there is no sharp up and down movement"  
Illustrated London News—  
Stuart Marshall  
"The springs and the self-levelling device annihilate ridges, hollows and rocky outcrops"



**A performance car**  
Autocar  
"Equally impressive is the acceleration, and the Range Rover gives a smart step-off in traffic, which belies its size and makes it often the quickest car away from the lights"  
Motor Sport—William Boddy  
"Its cornering is such that journey times and the enjoyment derived equal those of a good, normal fast car"

Range Rover. Four cars under one roof.





# BOOKS

## Nigerian white man

BY BRIDGET BLOOM

Nigeria: Crisis and Beyond by John Oyinbo. Charles Knight, £2.50. 214 pages.

Crisis and Conflict in Nigeria: A Documentary Source book 1966-70 by A. H. M. Kirk. Greene, O.U.P. Volume I, £4.25, 458 pages. Volume II, £3.25, 635 pages.

The Nigerian Army, 1956-66 by N. J. Miners. Methuen, £2.25, paperback £1.40. 280 pages.

Petroleum and the Nigerian Economy by Scott R. Pearson. Stanford University Press (London OUP), £4.20. 235 pages.

Petroleum in Nigeria by L. H. Schatzl. Published for the Nigerian Institute of Social and Economic Research by OUP (1968). 257 pages.

With the end of Biafra over 18 months ago, Nigeria all but disappeared from the headlines in the newspapers. However, it is surprising to find it reappearing in publishers' lists. Not probably since the Spanish civil war had the interregnum of a faraway State excited so much interest, and Nigeria's war was unique in that television brought it into all our living rooms.

Of the current batch of books (more are due this autumn) none pretends to be a full analysis of the war. Indeed, Miners' *Nigerian Army*, invaluable as it is on the background to the men and the organisation which intervened so devastatingly to run Nigerian affairs, only takes us as far as the second coup d'état, a whole year before war broke out.

That year was seminal to what came later, and both Oyinbo and Kirk-Greene make the point that this was the year when, as the latter puts it, "what was true or not began to matter less than the fact that the assertions [by one side or the other] were believed as truth and were acted upon."

Oyinbo (the television in Yoruba means white man and the author writes pseudonymously less, one suspects, fearing the reaction of Nigerians with whom he served for nearly 20 years than that of his present masters) relates the story of the war largely from a federalist standpoint. It is not uncritical; he chides the inexperienced civil servants with their failure to grasp the initiative to bring real reforms after the first coup, for example. But he is better at identifying and analysing the problems Nigeria now faces if it is to make the peace stick.

The military, he pointedly suggests, must hand over to civilians much sooner than the 1976 deadline they have set themselves; they should begin with elections at the local "county council" level, then with "Ministers" in the 12 States, who should help draw up a new civilian constitution. There are myriad problems which Oyinbo identifies and suggests possible solutions even including "sinecure offices," which—by institutionalising corruption—might help to curb it.

"A history towards a history of Nigeria," how Tony Kirk-Greene, erstwhile lecturer and civil servant in Nigeria, describes his mammoth two volumes. Nearly 1,000 pages in all, and linked by a well-written, succinct and generally unpartisan narrative, the volumes contain 22 of the most important speeches, documents and pamphlets from Nigeria and Biafra during the four years of crisis.

Most have been published at one time or another, but Kirk-Greene, in assembling them, has performed an immense service to future scholars since so many of the documents, inevitably, are now difficult to obtain anywhere. Only a few of them—the fascinatingly detailed police reports on the original coup for example—were at the time top secret. But *Crisis and Conflict in Nigeria* is and will be for a long time an essential starting point for anyone interested in the source material of Nigeria's war. It also contains an invaluable list of publications, including contemporary newspaper coverage, on which Kirk-Greene has drawn but has not for space reasons been able to include.

Two other books on Nigeria deserve mention. Oil did not pay for the war, but it is making all the difference to paying for reconstruction and development. Unfortunately even Scott Pearson's book, the most recent, is not recent enough to include last April-May's settlement with the oil companies which raised the price by some 80 cents a barrel and seems likely to increase total government revenue from this year by around £100m. Inevitably, too, Scott Pearson and Schatzl overlap, but at last we are some way to having Nigeria's vital oil industry properly documented.

## Political heroine

BY C. P. SNOW

Lloyd George. A Diary by Frances Stevenson. Edited by P. Taylor. Hutchinson, £4.80. 325 pages.

In 1912, Lloyd George was 49, the most spectacular politician in the country and in Conservative circles the most hated. He had married very young, and the marriage was a dull one; he had always been addicted to women, and women had returned the compliment. That year, Frances Stevenson was 24. She came from an affectionate, conventional middle-class home, was well-educated, and taught at a smart girls' school. She was a pretty, attractive, high-spirited young woman, with a strong longing for a wider life. As Mr. A. J. P. Taylor says, she reminds one of the heroines H. G. Wells was writing about at the time. By chance, the previous summer, she had taken the job of coaching Lloyd George's daughter, Megan. There seems to have been a mutual recognition between Lloyd George and Miss Stevenson, right from the beginning. She had fallen in love. So had he, and, despite all his other women, probably for the first and only time in his life.

After some months, he made her an offer. It was, by the standards of her upbringing, an unusual offer. She was to become his mistress and also—Lloyd George was an excellent judge of ability—his private secretary at the Treasury. (Incidentally, since she wasn't yet a Civil Servant, that kind of personal appointment wouldn't have been possible a generation later.) He was straightforward with her, much more so than with any other human being. He made it clear that there was no chance of marriage. A divorce, or any scandal, would wreck his political career; he hadn't the slightest intention of doing a Parnell. Further, though this wasn't said, and Miss Stevenson was reluctant to admit it to herself till long afterwards, he had a residual loyalty to his wife and family. Miss Stevenson hesitated when she heard the offer, though almost certainly her decision was in her heart already made.

At Christmas 1912 she accepted, and began a love-affair which was on her side utterly devoted, and as self-negating as a love-affair can be. She got much joy from it, for he genuinely loved her and was one of the most enchanting of men. She also got much suffering. What hurt her most was to have to stay in the background while the public was told about the happy simplicity of Lloyd George's domestic life. It was sometimes pretty near intolerable not to be beside him in the world's eye; the strains of a clandestine affair were harsh; it wasn't enough to be his love, his adviser, his only confidential friend. She was all those things. She was very shrewd, soon learned about politics, and had steady judgment of people. She was the only person he trusted; for Lloyd George, like many outgoing and apparently spontaneous men, was deeply secretive and had no male friends at all.

Other men wanted to marry Miss Stevenson. Sometimes the price she was paying seemed too heavy, and she thought of breaking away. But when it came to the point, she couldn't leave



Frances Stevenson and Lloyd George's daughter, Megan, in Paris during the Peace Conference.

has edited it with professional skill and added some characteristically notes, tart and authoritative, of his own. One wishes far as this country's record is concerned in the First World War as opposed to the Second. Simply because England was, functioning, owing to the fluke of the 19th century, for the last time as the greatest power in the world. I also suspect that

trigues of 1916, for which Mr. Taylor says there is no corroboration. He may, of course, have coloured them a bit, returning to his adoring young woman. But did he invent offers of the Prime Ministership? Or had there been hints which he made more explicit, himself an optimistic man and warmed by love?

Presumably there are some things about that year which now we shall never know. Lloyd George has had a bad press since before his death, as I mentioned when I wrote on this page about Dr. Cameron Hazlehurst's valuable book. Now, thanks to Dr. Hazlehurst and other historians of his generation, we are getting L.G. and his period into something like perspective. This

Lloyd George will increasingly be regarded as the most gifted politician in any parliamentary democracy of this century.

But all that is speculation, and doesn't touch the main contributions of this diary, which are its insights into Lloyd George as a man and his relations with France. Whatever his final reputation as a statesman, he was certainly the most fascinating, complicated, and psychologically various public figure of our time. Eminent persons are usually not specially rewarding as objects of psychological observation, but Lloyd George was the startling exception. Of the eminent persons I have had the chance to meet, just as Einstein was by far the most morally impressive, Lloyd George was by far the most psychologically alluring. The secret was, I think—and Frances says almost the same thing, towards the end of their long love-affair—that though he could be selfish and malicious and in the long run usually was, even with her, he was not self-centred.

That is very rare in men of action, who tend to be self-absorbed, not only as all of us are, but to an extent often different in kind from most of us. They are often and sometimes tediously so. Lloyd George wasn't in the least like that. He had an incessant fund of interest, flickering, mercurial, sometimes calculating, always spontaneous, in everything and everyone round him. The things out of Frances's entries about his responses to her. Sometimes he treated her badly: part of that was inherent in the situation, and not his fault; part of it was selfish. Yet he was always always always asking me yesterday if I would come to see him, and he would have had his merits as a lover. He wasn't fixed in a carapace. He was emotional, not sentimental; but there is a passage dated April 23, 1917 (at a black time in the war) which is astonishing to read:

"We went down to Walton Hall on Saturday afternoon (April 21) and had a perfect week-end. I do not think we have ever loved each other so much. D. says that ours is a love that comes to very few people, and I wonder more and more at the beauty and happiness of it. It is a thing nothing but death can harm, and even death has no horrors for me now, for I am asked me yesterday if I would come with him when he went. He begged me not to stay behind, but for both of us to go together, and I promised to do so unless I had any children of his to claim me. So I'm not afraid now of the misery if D. is taken away, for then I shall go too and his end will be my end, and until then everything is happiness, if our love stays."

That pitch of rapture couldn't be maintained. Yet had another 25 years to live together. Some times she was darkened by the sacrifice she had made; but she stayed devoted till the end. It was a great love, and she is the heroine of the story, one of the heroines of political history. You can't read this book without intense admiration for her. Also you feel that whatever she cost her she made the right choice. She is the heroine of the story; but Lloyd George, faults and all, comes out of it as a flawed hero, but still a man who was worth her loving.

## No final solution

BY DAVID PRYCE-JONES

One Generation After by Elie Wiesel. Weidenfeld and Nicolson, £2. 198 pages.

Elie Wiesel was born in 1928 in a small town in Hungary. He should have studied the Bible and lived in pious obscurity. Instead he was deported along with all other Jews of his town. He has survived Auschwitz and its horrors that have passed, he has tried to come to terms with the experience.

Literature has no way of dealing with an enormity like Auschwitz. To suggest that it has comprehensible causes and effects is to blaspheme against man and God. Silence would be best, were not silence so quickly mistaken for forgetfulness. So Mr. Wiesel takes it upon himself to be what he calls a story-teller. It is his wish to bear witness out of his own life, as a person might pray, not knowing where salvation comes from. In a real sense this is not a collection of incidents, reminiscences and dialogues, but a cry from the soul.

Mr. Wiesel remembers what it was like before. When there were such things as complete families, traditions and beliefs, not just old men and a broken past. He is reluctant to accept the world's dehumanisation and searches for evidence to the contrary. When he goes back to his home town, for instance, he digs up the gold watch which as a child he had buried to hide from the Germans in the eve of deportation. Holding the rusted watch in his hand, he also holds his aches for what might have

## Mailer's Lib

BY JOE ROGALY

The Prisoner of Sex by Norman Mailer. Weidenfeld and Nicolson, £2. 234 pages.

Norman Mailer is an extremely good reporter. His account of the events that led to the election of Mr. Nixon as President ("Miami and the Siege of Chicago") is the best I have read and any reporter who was present at most of those events, as I was, must acknowledge that Mr. Mailer's was the despatch of the master of the craft. His novels have faults as well as virtues; his life-style is at times as comic as it is melodramatic, but his best reporting is without question excellent.

More's the pity, then, that he has wasted his talent on this latest little effort, an exercise in revenge for the scratching of his face by Miss Kate Millet in *Sexual Politics*. His method, which is unworthy of him, is to grow long fingernails of his own. He is possibly true to his word, Millet, whose work on behalf of women's liberation was more elegant than his own. He is certainly going to great lengths to prove that this is so, which is perhaps explained by the fact that he himself was most savagely attacked.

The point is—the point is that it is with great difficulty that one goes on to make the point, since the absurdity of the whole thing is so manifest that the right thing to do would be to cast Mr. Mailer's pages into the foot of the dustbin along with Miss Millet's and allow them to interleave and moulder as they may. It is all so very tedious. For what this tiresome battle of the books is, really, all about is simply whether, in their juiciest paragraphs Messrs Henry Miller, D. H. Lawrence and the rest were being quite as "male chauvinist" as Miss Millet says they were or really a trifle more compassionate than that, as Mr. Mailer insists.

Now I realise that every age must have its obsessions, some of which seem to be of great importance at the time. It is perhaps understandable that the more grotesque aspects of the situation of women have come to obsess some of our better writers, for there can be no doubt that Western society really must adjust its attitude to women, especially in the economic sense. If justice is to be done. But the petty obsessions expressed by Mr. Mailer in this book are simply not worth wasting paper on. For my part they lead me long for an age when we could dispute something that by comparison is really important—the number of angels, say, that could balance on the head of a pin.

## Fiction Boarders and residents

BY ISABEL QUIGLY

Mrs. Palfrey at the Claremont by Elizabeth Taylor. Chatto and Windus, £1.50. 206 pages.

The Savages by John Rosenberg. Michael Joseph, £2. 192 pages.

Arthur Dogboy's Long Weekend by Graham Melver. Secker and Warburg, £1.95. 147 pages.

The old, the adolescent and the mad all share dependent status, have their lives ordered for them, can move freely and tend to live on dreams. Old age is associated with infamy in Mrs. Palfrey at the Claremont. "As one gets older life becomes all take and no give," one of the hotel guests says. "One relies on other people for treats and things. It's like being an infant again." Being taken out, I mean, as if one were a school-child.

On the old, Elizabeth Taylor is at her accurate, compassionate best; and at the same time tight and often funny. Mrs. Palfrey is one of those rather blood-houndish old widows, who "sometimes, wearing evening dress, looked like some famous general in drag" with an imperial background and happy memories behind her, and now nothing left but a heavy daughter in Scotland and a neglectful grandson at the British Museum. At the Claremont Hotel in the Cromwell Road

you keep your end up through the number of relations who visit you, so when no one comes Mrs. Palfrey invents a grandson who is all that grandsons should be—attentive, a good-looking, amusing and kind; and other, thrifty, grandsons on to a young man she happens to meet. Tidily, sadly, funnily the plot unravels and ends with pathos, misunderstandings and a certain happiness. The style is transparent, perfectly suited to a story of withdrawal, decline, loss and death.

A public school has things in common with a residential hotel: codes of behaviour, sharp-eyed authority, face to face, and a communal favour to curry. Chris in John Rosenberg's 16-year-old when his father, a small landowner, volunteers for France. At school he is whisked into a new world of harsh rebellion by a master whose daughter he falls in love with; the savages of the title, exotic creatures who would be totally lost of place in the bright future Chris dreams of. This is a curious piece of historical reconstruction; a lost world is conjured without the least bit of self-consciousness or local colour, in style like that of the water-colour the jacket suggests, simple, evocative, fluid. The method is to leave gaps, to say little, to leave you guessing, like Chris. It is an attractive, elusive book.

Madness is dangerous fictional territory. The telling of lunatic fantasies may seem as pointless as a breakfast-table telling of dreams. But Arthur Dogboy's Long Weekend, a first novel, gives it meaning and spirit. Arthur, sublimely wretched with a dreary job and a horrific wife, invents the people he might have had, as lonely children invent imaginary friends, small son Andrew, loving mistress Miranda. Finally he comes to think himself Christ, crucified, buried, and awaiting resurrection, with fire and brimstone for his wife and hated colleagues and his for his imaginary friends. "Speak up, I can't hear you!" he shrieks to God, when the Angel Gabriel proves lecherous and the dreams begin to desert him. A good deal of the sulphurous smell of derangement comes across through a style that manages to be both intense and flippant; belief has turned into fact, as happens to all us in dreams, so that Arthur Dogboy does not just think he's in the tomb, he is, indeed, entombed after crucifixion.

SAMUEL BRITTAN

### The Price of Economic Freedom

#### A Guide to Flexible Rates

How will the floating pound affect trade? What has been the previous experience of Britain and other countries with floating currencies? What is the case for compromise systems? Where do gold, the dollar and the E.E.C. fit in?

A simple question-and-answer guide to such topics is given in this book, which successfully predicted the U.S. gold embargo and subsequent resort to floating rates.

MACMILLAN £2

## EEC will benefit the regions—Whitelaw

FEARS THAT Britain's entry into the Common Market would damage the country's regional policies were quite unfounded, Mr. William Whitelaw, Leader of the House of Commons, said in Liverpool last night.

When the Six signed the Treaty of Rome, they declared in one clause their strong will to reduce differences in prosperity between regions in their countries, Mr. Whitelaw, MP for Penrith and The Border, added.

"Therefore they are all clearly committed to regional policies and they all have regional problems of their own," Mr. Whitelaw said he would have regarded it as a "most worrying development" if, as regions,

## Chamber of Trade links with Intergift

BY SHEILA BLACK

THE National Chamber of Trade has linked with Intergift to offer a national service aimed at "revolutionising the gift-giving market in the U.K." This is the first time the National Chamber has given such support to a commercial enterprise.

The Chamber has more than 800 local sections and/or business organisations affiliated, besides being linked with many other trade associations. The National Chamber, therefore, covers some 1,000,000 principals in the retail and distributive trades.

A spokesman said yesterday that 75 years of experience "would now be added to the youthful dynamism of this enterprising company (Intergift)." The move had been made because Intergift an international organisation and shoppers were likely to benefit considerably if the Intergift scheme succeeded.

Since the service covers gift commodities from chocolate to champagne or bedspread, Intergift is to be operated at a fee of 40p. It should be possible for a gift bought in Torquay to be delivered to a recipient in Sheffield on the same day.

Prospect advertising is planned to carry illustrations of gifts, with detailed prices, so the service can be used from home. Colour catalogues will be sent to embassies and hospitals.

The ultimate object is to make Intergift an international organisation.

## U.K. ECONOMIC INDICATORS

		1971			1970		
	Unit	Aug.	July	June	Aug.	July	June
General employment...	'000s	859	726	774	902	579	579
Unfilled vacancies	'000s	179	193	195	272	296	296
1971							
Bank advances	£m.	5,989	5,719	5,765	5,857	5,630	5,630
Gold reserves	£m.	1,613	1,508	1,468	1,165	1,163	1,163
Basic materials and fuel prices†	1963=100	137.7	137.4	137.3	127.5	128.0	128.0
Cost of living rates	Jan.'56=100	222.3	220.9	215.8	196.1	194.6	194.6
Retail prices	Jan.'62=100	155.2	154.3	153.3	140.9	139.9	139.9
1971							
Retail sales val.**	1966=100	131.5	133.0	131.3	121.8	121.5	121.5
H.P. Debt†	£m.	1,403	1,397	1,382	1,061	1,061	1,061
Terms of trade	1961=100	108	106	107	102	101	101
Indust. Output**	1963=100	127.0	126.4	126.1	123.8	122.1	122.1
1971							
Trade and Industry Imports f.o.b.***	£m.	719	739	709	510	625	625
Exports f.o.b.***	£m.	782	779	714	660	649	649
Visible trade balance	£m.	+43	+40	+7	+150	+49	+49
Steel (wkly. av.)**	'000 tons	390.3	427.8	472.2	439.6	526.9	526.9
TV sets†	'000s	179	137	161	190	165	165
Radios, r/gms.††	'000s	69	67	69	71	73	73
1971							
Man-made fibres*	m. lbs	108.9	116.5	114.1	113.0	111.1	111.1
Motor vehicles*	'000s	156.3	150.4	148.2	145.2	142.7	142.7
Houses complet'd	'000s	49.53	47.79	46.53	51.53	41.57	41.57
Cement (weekly average)†	'000 tons	29.1	27.6	27.6	29.5	27.6	27.6
Bricks	millions	350	378	332	365	318	318
Car tyre turnover	1964=100	565	543	533	528	506	506
Mtr. trd. turnover	1967=100	146	150	146	145	127	127
Hosiery	1967=100	153	151	144	123	127	127
Furniture	1963=100**	143	165	149	147	150	150
Engin. and Elec. (orders on hand)	Dec.'63=100	118	133	133	124	115	115
Mach. clothng (orders on hand)	Dec.'62=100	117	118	119	122	120	120
Washing machns.†	Dec.'62=100	175	175	167	143	146	146
1971							
Raw wools†	m. kilos	May 13.1	Apr. 12.2	Jan. 12.5	May 12.5	Jan. 13.8	Jan. 13.8
Petroleum	m. tons	6.65	7.32	8.11	6.58	7.94	7.94
Raw cotton	'000 tons	3.10	2.39	3.12	3.57	3.47	3.47
Textiles (orders on hand)	Dec.'62=100	124	122	121	132	133	133
Electric cookers	'000s	82.7	76.3	77.7	61.7	63.6	63.6
Washing machns.†	'000s	51.3	50.3	58.8	45.6	53.1	53.1
1971							
		Year					
Factory approvals	m. sq. ft.	2nd qtr. 14.9	1st qtr. 18.2	to date 23.1	2nd qtr. 23.6	1st qtr. 88.4	to date 88.4
Consumer spending	£m.	1963 values 5,940	5,813	11,753	5,819	23,342	23,342
		1971					
Machine tools	£m.	1st qtr. 55.0	4th qtr. 30.0	1st qtr. 50.5	Year 198.7	Year 171.9	Year 171.9
Building and civil engineering*	£m.	1,238	1,283	1,112	4,971	4,697	4,697
		1970					
Plastics	'000 tons	4th qtr. 375.3	3rd qtr. 396.7	Year 1,463.1	4th qtr. 384.7	Year 1,220.0	Year 1,220.0
* Production. † Deliveries. ‡ Net sales. § Consumption. ¶ Great Britain. ** Seasonally adjusted. *** Seasonally adjusted. **** All non-food manufacturing industries. ***** Excluding car radios.							

## Shooting the rapids

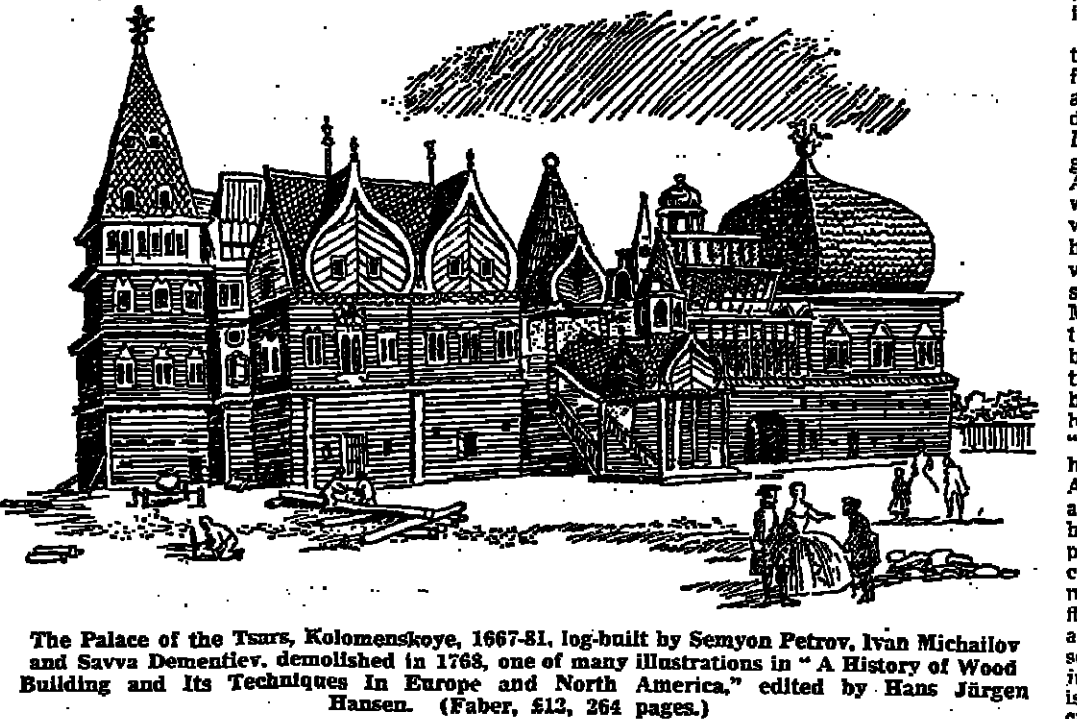
BY JOHN RAYMOND

My Bolivian Aunt by Cecil Beaton. Weidenfeld and Nicolson, £2.50. 171 pages.

Jessie Suarez—Mr. Beaton's Bolivian aunt and the heroine of this short memoir—was a her money. The post-war dazzling life—her depression, the discovery that married Don Pedro Suarez, a rubber collector, a Bolivian gentleman of much Pedro's family and his own faith and gallant attractions, in the 1890s. Together they crossed the Andes by mule-back and faced parts of the South American jungle where no white woman had been, shooting the Amazonian rapids with head-shrinking natives in pursuit of their canoe. It all seems like a leaf taken from Graham Greene's travels with flow of anecdote. This memoir, added and a touch of Colette's style, is really a tale with a Sida. It is, in fact, a strikingly powerful, moral attack.

Those who enjoy Mr. Beaton's delve back into family splendours and his staid Westmoreland relations to vouch for Aunt Jessie's taller stories.

It is also something more—



The Palace of the Tsars, Kolomenskoye, 1667-81, log-built by Semyon Petrov, Ivan Michailov and Savva Dementiev. Published in 1968, one of many illustrations in "A History of Wood Building and Its Techniques in Europe and North America," edited by Hans Järgen Hansen. (Faber, £12, 264 pages.)

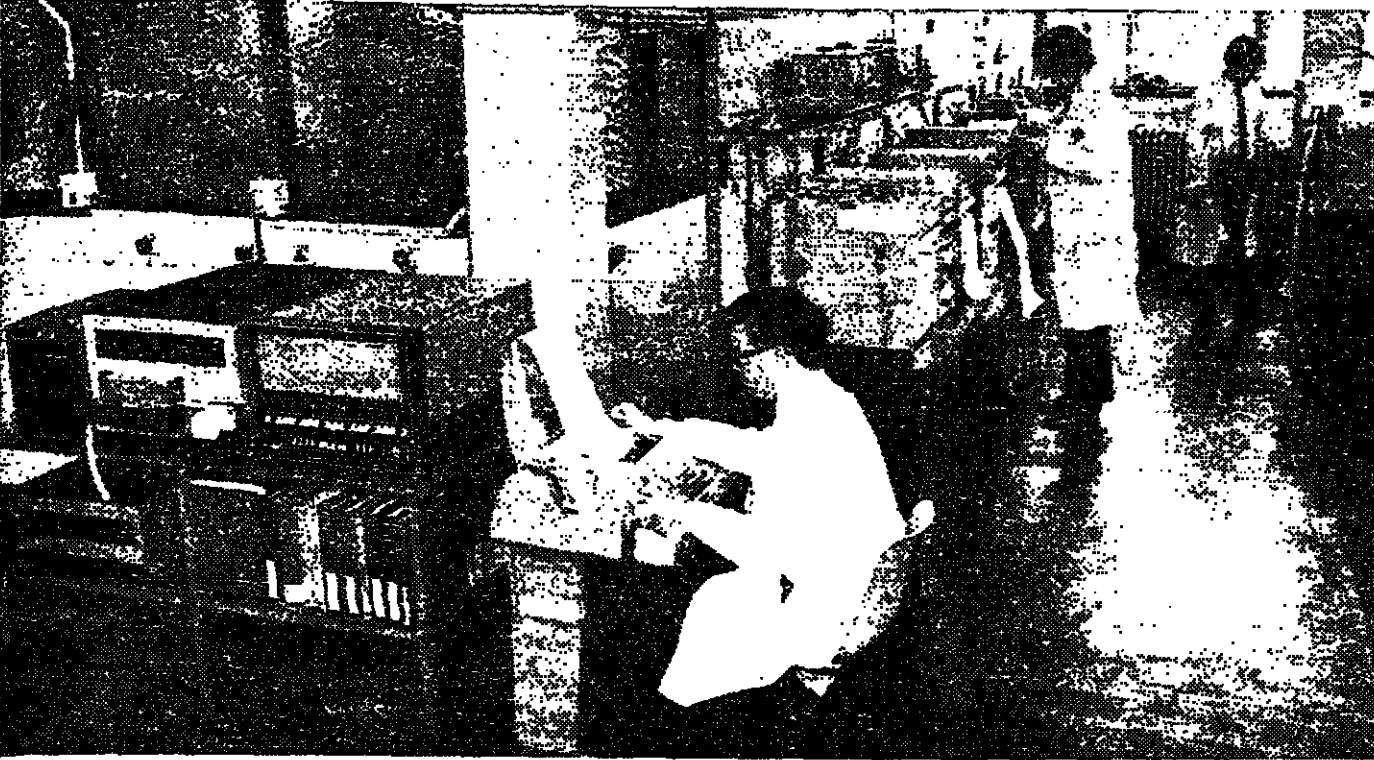




# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## DATA PROCESSING



## Collects data on cassette

A DESK-TOP data capture machine at which an operator using a keyboard transcribes source data direct on to magnetic tape in cassettes is to be put on the market by Rank ENM of 1 Fitzroy Square, London W1P 6DS.

Known as the Enscraper, its purpose is to capture data as near to the source as possible using staff most concerned with its validity. More rapid, accurate flow of input data to computers should result from its use, says Rank, adding that the machine is simple to operate, with a full range of programmable facilities for checking the data on input. It can be used remotely.

The machine uses half-inch magnetic tape and a cassette can store 85,000 characters—about one day's work for an operator. The keyboard is in typewriter format except that the numerical characters are in a separate cluster, and there is a 15 character display to show the operator what has been keyed. Rank says that this is a fundamental aspect on which the design is based, since it is estimated that 85 per cent of the errors made by operators are conscious ones. By using the display and a control key an operator can prevent errors going on to the tape.

The machine can vet and validate data and control the length of a field of information. It has considerable organisational power based on a logic unit which has two main areas. The executive programs are kept in a read-only memory, and there is a user program area in which the user defines the checks that are to be incorporated on the data.

## Scottish units on display

UNIVAC will feature Scottish-built data preparation equipment at three exhibitions this autumn. These are LEAP (Com Exchange, Brighton, September 27-30), COMPEC (Seymour Hall, London, September 28-30) and the Business Efficiency Exhibition (Grand Hall, Olympia, October 5-13).

The 1701 VP (Verifying Punch) and the 1710 VIP (Verifying Interpreting Punch) are being manufactured at Univac's first facility in Britain at Livingston, Scotland. Giving an increased throughput in card

punching and verifying of between 20 and 40 per cent, depending on the application, both machines feature a built-in core store and a switch which achieves immediate transfer from punching to verifying or interpreting.

Two full programs can be stored in core and a complete "image" of all data punched on one card can be retained. Correction is done by back-spacing and overwriting in memory, and as no punching occurs until the last programmed column of any card is completed, the problem of error cards during punching is eliminated.

Verification takes place by reading each card photo-electrically, retaining the image in core store and checking against this image. Error cards are separated automatically into a select stacker.

Elimination of re-punching and re-verifying procedures, the ease with which functions can be changed and the simple error correction method are three benefits of this Univac equipment.

## Calculates the dividends

TO REDUCE the cost of producing year-end share portfolio statements and calculating dividends, Honeywell Information Systems Great West Road, Brentford, Middlesex, has developed a computer program for accountants, stockbrokers and tax consultants.

The program—called Dividend—runs on Honeywell's Mark 11/Network time-sharing service, and the broker or accountant needs only to install in his office a small computer terminal, consisting of keyboard, printer and paper-tape reader/punch, linked to the time-sharing service by telephone.

Using the program the broker compiling end-of-year portfolio statements for his clients feeds to the computer the client's holdings at the end of the previous tax year, and the changes subsequently made in them.

The program consolidates this information against a master file (supplied by Mouldies) of the 8,000 plus equity, preference and fixed interest shares quoted on Britain's stock exchanges. Having identified which shares paid a dividend during the year, it prints out all dividends due to the clients.

Before the final print-out stage, the program takes into account all capital changes which have taken place during the year in shares in the client's portfolio—such as scrip issues, rights issues, changes in the stock exchange daily official list num-

The first Pye Unicam computer controlled chromatograph system to be installed in the U.K. is now in operation in the Shell Refinery at Stanlow, Ellesmere Port. At present the computer system is controlling the individual operation of 15 chromatographs and it is expected that an additional number of chromatographs will be added at a later date. Typical applications include hydrocarbon analysis of samples ranging from gas oils to gasolines. The system is claimed to be a new method of data processing and on-line computer control which can handle up to 450 analyses an hour on 30 chromatographs in simultaneous operation.

With which functions can be changed and the simple error correction method are three benefits of this Univac equipment.

ber, take-overs and mergers—and prints out a reminder to the broker that these changes have occurred. The computer terminal produces information under six headings: name of share, client's holdings at the time the share went ex-dividend, rate of dividend, date paid, gross receivable and net receivable after tax deductions. All totals are automatically calculated.

All the information printed out on the terminal is automatically coded and punched on paper tape. Stored by the broker or accountant, the paper tape becomes his basic information file for the next year's portfolio evaluation.

It is claimed that savings of up to 80 per cent can be achieved by using this program, compared with manual methods. The terminal is rented at about £50 per month, and an accountant could have one installed, use it for this period, and decide to discontinue the service for no additional cost other than the computer time used, at about 28.50/hour. The service cuts to about five minutes what is normally a four hour job, and the work can be carried out by a competent secretary.

The terminal provides access to Honeywell's other computer programs such as discounting cash flow, auditing etc. A program is being compiled to be added to the Dividend service which provides information on capital gains transactions.

## CONSTRUCTION

### By-pass in the Lake District

JOURNEY times of motorists travelling through the Lake District should be reduced by about half an hour with the opening to-day of the 31-mile Kendal by-pass. Completed three months ahead of schedule by John Laing Construction, the £1.75m. scheme also included improvements to the A6 trunk road.

From the existing A6 dual

carriageway south of Kendal, Laing built a second carriageway, 1-mile in length, to a new interchange at Shenstone. The by-pass then leaves the A6 and climbs to the top of Helvellyn, 500 feet above sea level.

The new road connects with a roundabout at Plumgarth at the junction of the A591 Kendal-Windermere-Ambleside-Kewick road and the B5284 to Bowness. Awarded in December 1968, the contract involved the excavation of 400,000 cubic yards of material, erection of four bridges, three agricultural underpasses, two cattle creeper and a mile of drainage outfall from Plumgarth to the River Kent.

## INSTRUMENTS

### Depth kept accurately

A self-controlled diving instrument sensor, designed to be towed behind a research vessel, will maintain its set depth with an accuracy of plus or minus 0.02 per cent of scale.

The "Batfish" made by Hermes Electronics of 2020, F

Street, N.W., Washington, D.C., U.S., can be towed at speeds up to 10 knots and depths of 870 feet. Speed can be increased to 14 knots at 570 feet.

The Batfish looks something like a paravane but is towed erect. Wings keep it level and vertical rudders correct for drift. The standard instrument reports on salinity and water temperature and other sensors are available.

The fish itself is 40 inches long and weighs 155 lbs.

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## HANDLING

### Plastics truck is strong

TESTS carried out by WCB Containers on their EW 933 polythene truck with a moulded-in steel rim have shown that it can accept a load of 60 gallons of liquid without any noticeable bowing or deformation.

Normally a polythene truck holding such a volume of liquid would have to be supported in a metal chassis which, of course, considerably increases the weight of the truck.

Comparison tests were carried out at WCB's main manufacturing plant at Stalybridge, Cheshire, where the EW 933 was

tested against a similar free-standing truck, but without any reinforcement.

The unreinforced truck began to bow when only half full with liquid; by the time the truck had been completely filled it was bulging alarmingly, so much so that the sides of the truck were unstable. When an attempt was made to move the truck a considerable amount of liquid overflowed.

However, when the same test was carried out on the EW 933 there was hardly any bowing of the sides and the rim remained perfectly rigid. Movement of the

truck was comparatively easy even though the total weight of the liquid was in the region of 600 lbs.

Moulded in low density polythene, the EW 933 measures 36 inches x 24 inches x 24 inches. It is fitted with four 8 inch nylon wheels, secured to a zinc coated steel base plate, which will withstand both wet and dry conditions. The truck is easy to clean, making it ideal for use where hygiene is a prime consideration and it can be used equally well without steel base and castors as a free standing tank.

## PRODUCTS

### Visual planning chart pack

WALL charts for visual planning of production are often custom built to meet special requirements, which means they are expensive both to the customer who has to relate his chart to his products, and to the manufacturer who has to spend much time producing the specialised chart—alternatively the charts have to be so wide and general in application that they become useless.

To overcome these problems Twinkl Sasse, Liddon Road, Bromley, Kent, has produced a new series of charting and planning packs, based on the established range, but capable of being tailored to individual commercial and industrial applications.

There are three packs in the series: Production scheduling, Plant loading and Stock control. Each contains detailed instructions which analyse the application and explain how visual planning can be used to provide more effective planning and control. Claimed to be the first complete review of the background and application of visual planning, a specially prepared manual is included in each pack.

All the materials necessary to put the recommendations into operation—including a wall chart grid, a range of magnetic and adhesive signals, chart channelling, wall mountings, and special pencils and erasers—are in the pack.

### Repairs to heavy cable

SHRINKABLE plastic sleeves lined with adhesive and held by a disposable metal channel make a long-lasting waterproof repair to heavy insulated cables.

While intended primarily for cables supplying heavy-duty machinery, they could also be used in any application where high voltages are carried in insulated wires.

The "Thermofast" device is a sleeve with a thick ridge along each edge. It is wrapped around

the repaired cable and a metal channel slid over the two ridges to hold them together. Heat is applied by a blow torch, shrinking the plastic and melting its adhesive lining. The shrinkage of the plastic forces the adhesive into the pores of the insulation, sealing any cracks and bonding to the original insulation.

The shrunken sleeve is then cooled with water and the ridges and metal channel sliced off to leave a flexible repaired joint.

### Small mains rectifier

A PLASTIC encapsulated silicon bridge rectifier only about half an inch square and a quarter of an inch thick, capable of delivering 3 A, is now offered by Concorde Instrument Company of 28 Cricklewood Broadway, London, N.W.2.

The device has a maximum junction temperature of 150 degrees Centigrade and to deliver maximum current needs a simple metallic surface heat sink. The company plans to introduce lower voltage versions in the near future.

### Miniature image intensifier

RECENT declassification of night vision devices by the United States government has allowed

## MATERIALS

### Heavy-duty corrugated board

HEAVY DUTY corrugated board, consisting of three kraft liner boards and two semi-chemical fluting mediums, bonded together to form a twin A-flute board, is being manufactured by Bowater-Stevenson Containers, Erftwood Park, Manchester.

It is stated that the new board, known as Bowfort, has a high compression strength capable of carrying loads of 1,000 lbs. Weather resistance is provided by the use of moisture-resistant adhesives, plus a high wet strength outer liner.

Bowater claims that the board is much stronger than ordinary corrugated board, but much lighter than wood. It is expected to be used for cases for export shipments and air freight containers. It is stated to cost at least 20 per cent less than equivalent timber cases. Performance figures are given as: compression—17 N/mm<sup>2</sup>; puncture resistance—220 N; Mullen burst—1,200 N/mm<sup>2</sup>; weight per square metre—1.7 kg.

### Hybrid to replace dear alloy

EXPENSIVE beryllium copper, used for its combination of springiness and good electrical conductivity, can be replaced by a bonded copper-steel material. The stainless steel makes the spring and the copper carries the current.

The composite metal is supplied by the Metallurgical Materials Div. of Texas Instruments, Attleboro, Mass., U.S. It is being used by one maker of domestic electric irons for the spring contacts in the flex plug assembly.

In the original part a silver rivet was used on the beryllium copper blade for low contact resistance. In the composite part, silver tape is brazed to the spring leaf for a contact. The use of tape instead of rivet is said to reduce the amount of silver needed.

Texas Instruments says the new parts cost only half as much as the ones used previously.

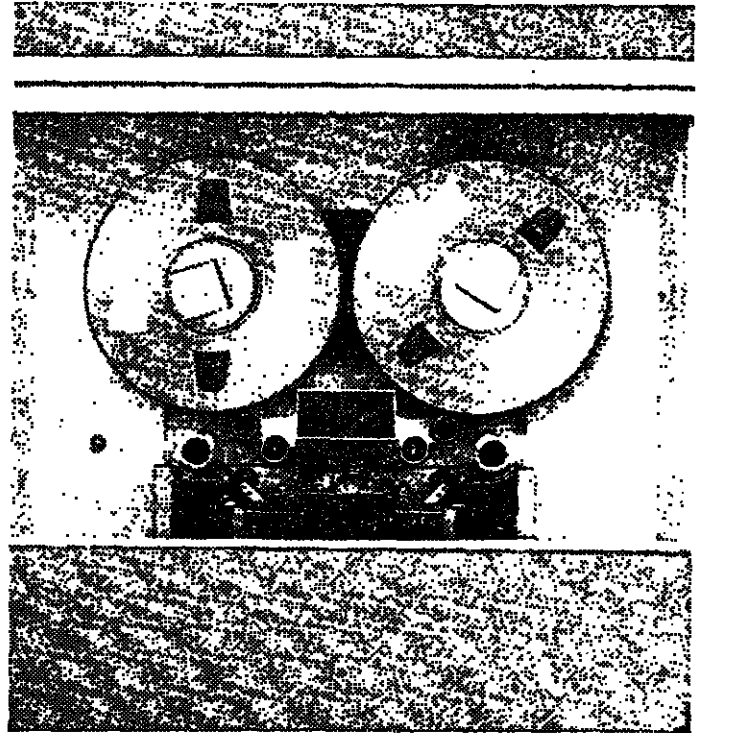
external finishes is available in a variety of colours and fabrics. The chambers are fully equipped internally with work surfaces, and racking, and wall-mounted service splines carry gas, electricity and water facilities for use inside every chamber.

Temperatures within the chambers can be set anywhere between -30 degrees C and +100 degrees C, while humidity can be varied between 45 per cent and 95 per cent, over the temperature range +10 degrees C to +70 degrees C, at temperature and humidity settings being carried out by solid-state proportional controls.

### Walk-in environment chambers

A RANGE of walk-in environmental chambers, newly introduced by Taylor-Keenan of Osiers Road, Wandsworth, London, S.W.18, are constructed from modular sections to suit exact customer requirements. Based on a minimum dimension of 2 feet 6 inches, the system will allow complete environmental chambers to be built into almost any size and shape of floor area.

Complete chambers are constructed from wall-section modules measuring either 2 feet 6 inches or 4 feet wide, by 8 feet 6 inches high. The walls are constructed from a tough double aluminium "sandwich" insulated with glass fibre/polystyrene foam and a range of internal and



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## Two-tier system satisfies France

BY ADRIAN DICKS

PARIS, August 25. THE FRENCH Cabinet today expressed satisfaction at the working of the two-tier market for the franc since the two-tier exchange market started operations on Monday. On the free market, spokesmen said, the franc had been "at the right time" and might be taken into consideration elsewhere.

M. Hamon also made quite plain France's opposition to the Benelux governments' proposal of another Common Market Finance Ministers' meeting on September 2 or 3. Without mentioning the Benelux plan directly, he said the French Government favoured the date of September 13 already set, and which would give everyone a period for reflection and consultation.

Meanwhile, France would seek the most appropriate ways of co-operating with its European partners "in order to arrive at a joint position that would affirm the personality of Europe and its weight in the world." Such a solution, M. Hamon said, should be on the basis of a fixed parity system.

The dollar weakened further in the free market here today, to close at around Frs.5.385—equivalent to a devaluation of

about 2.7 per cent.

against the franc since the two-tier exchange market started operations on Monday. On the free market, spokesmen said, the franc had been "at the right time" and might be taken into consideration elsewhere.

The most interesting feature of today's trading, however, was the intervention of the Banque de France in the free market, apparently with the intention of slowing down slightly the decline of the dollar. The Central Bank intervened on two occasions, though each time for a very small amount.

It is interesting that it did so at all in view of the terms of the decrees setting up the dual exchange rate system in France, which suggested that the Banque de France would confine its operations to the official market, where it has been instructed to intervene at the old level of Frs.5.5125. In view of the steep order of revaluation of the franc reported to have been contained in the IMF staff paper, it may be that the French authorities are concerned to play down the dollar's weakness at the present moment.

## Schiller tries to allay German fears

BY CHRISTOPHER LORENZ

BONN, August 25. AFTER his sharp rejection yesterday of the 13-14 per cent. D-Mark revaluation rate suggested in the IMF study, West German Economics and Finance Minister Karl Schiller today went out of his way to calm German fears about the effect on the economy of the changing dollar.

U.S. dollar =

	Fri. 13 Aug.	Wed. 25 Aug.	Fri. 13 Aug.	Wed. 25 Aug.
U.S. dollar	3.39	3.39	3.39	3.39
German Marks	5.51	5.51	5.51	5.51
French Francs	620	615	620	615
Italian Lire	406	397	406	397
Swiss Francs	3.45	3.45	3.45	3.45
Dutch Guilders	49.62	49.28	49.62	49.28
Belgian Francs	1.01	1.01	1.01	1.01
Canadian dollar	1.01	1.01	1.01	1.01
London rates				
Commercial rate				
Financial franc rate				

London rates: † Commercial rate, 13.25 to the pound; ‡ Financial franc rate 5.39 to the dollar, and 13.25 to the pound.

currency situation. Among other reassurances, he said that the effect of the greater flexibility of the D-Mark revaluation rate suggested in the IMF study, West German Economics and Finance Minister Karl Schiller today went out of his way to calm German fears about the effect on the economy of the changing dollar.

## Italian industry hit by U.S. import surcharge

BY PETER TUMIATI

ROME, August 25. A WAVE of cancellations of orders from American importers has reached a number of Italian manufacturers, according to the president of the Italian Confederation of Small and Medium Industries, Signor Fabio Frugali. The sectors most hit are textiles, knitwear and footwear. Signor Frugali said that the industries concerned are "deeply disturbed" by the effects of the American move which comes on top of stagnating domestic demand. He added that the very survival of many companies may be jeopardised. In the most hard hit sectors many of the enterprises are the very small, almost artisan ones, which however, provide employment for a large number of people.

He said that a 12 per cent. increase in the import tax on goods from the U.S. is "an absolutely unbearable level." His organisation is asking the Government to provide "export premiums."

A cry of anguish has also come from the Confederation of Exporters, which is a large part of whose sales are in dollars, as are the freight rates for tankers. Meanwhile, the dollar weakened again very slightly. The official fixing was at lire 615.25 to the dollar, but it was reported that the Bank of Italy did intervene on a small scale, unlike yesterday and the day before.

## Japan ready for long currency war

TOKYO, August 25. Group of Ten, Japan will continue to maintain its contacts with the U.S. and other nations for an exchange of views, although no negotiations will be conducted. Official sources complained that the U.S. was refusing to talk about the dollar price of gold for political reasons.

They said the U.S. itself was virtually admitting that the present international monetary crisis was due to weakness of the American domestic economy, yet it refused even to discuss the possibility of changing the dollar price of gold.

Japan could now wait until other nations showed their hands, the sources said. One official added: "If the Americans are comfortably floating in the ocean, we can sit on a bench fixed on the beach."

With calm prevailing on reopened West European exchange markets, officials said the pressure had now been lifted off Japan for an early revaluation.

## Call to defend interests of third world

BY OUR OWN CORRESPONDENT

GENEVA, August 25. THE NEED to defend the interests of the developing countries in the present monetary and trade crisis was stressed today by the Secretary-General of the United Nations Conference on Trade and Development (UNCTAD), Mr. Manuel Perez-Guerrero. In an address to the UNCTAD Board, he pointed out that the 10 per cent. import surcharge imposed by the U.S. was bound to have an adverse impact on the export trade of these countries in manufactured and semi-manufactured goods.

Mr. Perez-Guerrero coupled this with what he called "already insufficient" external economic assistance of the U.S., which was now to be cut by 10 per cent.

A new Bretton Woods type conference was called for to redress the shortcomings of the old system of world trade and payments, but he warned that such a meeting "must deliberately provide for development in a manner that was previously

# The outlook for the papermakers

Production in the British paper industry fell by 10 per cent. in the first half of this year, and profits are suffering. Ken Gofston reports



Mr. David Russell (left), chairman of Tullis Russell and Co., and Mr. J. B. Rae, managing director: specialist know-how yields respectable profits.

ALTHOUGH paper industry executives now report the first glimmerings of recovery in demand, following the Chancellor's mini-Budget, the evidence has not yet shown up in the official figures. Production during the first six months of this year was just under 2.25m. metric tons, a drop of 0.7 per cent. on last year. Apparent consumption was down by 8.5 per cent., imports by only 4.1 per cent.

This is a picture that is depressing in any business, but in paper making, where the low value, low profit product demands round-the-clock operation of very expensive machinery to get any return at all, they are frankly appalling.

## Squeeze claim

Newspaper and Kraft wrapping paper categories which are particularly vulnerable to Scandinavian competition have done worse than average, with January-June production down by 22 per cent. and 15 per cent. respectively. Yet to what extent is it right to blame the Scandinavians for the problems which have arisen?

The basic arguments are familiar, yet they need to be repeated. No one denies that since the 1967 devaluation of sterling, the prices of Scandinavian pulp have gone up more sharply than those of paper. For example, mechanical pulp now costs £41 a ton, against £29.40 a ton in November, 1967, an increase of 39 per cent. while Scandinavian newsprint has gone up only 30 per cent., from £55.40 to £72.25.

British papermakers claim that they have reached a temporary plateau in their home market. The Scandinavians reply that it reflects the fact that the pulp makers, after a period of low profitability, now enjoy a better balance between supply and demand, while the paper mills felt unable to force up the price of newsprint at the same pace at a time when Fleet Street newspapers were in financial trouble. A kindly thought. The truth is that, Machiavellian plot or not, the U.K. is not the ideal place in which to conduct a paper war.

This is recognised by both Bowater and Reed, which have overseas mills as well as British mills. Publishers may like local production, since it avoids such

problems as dock strikes, but for an efficient operation you want to get closer to the trees. With the raw material accounting for more than half of the final price of newsprint it makes little sense to inflate costs by expensively drying out the wood pulp, shipping it here, and wetting it again for papermaking—not when an integrated plant can save you the bother.

Other sectors of the paper industry have been affected less by the pulp/paper squeeze. Yet most of the paper companies reporting in the last few months have recorded reduced profits, including Bowater, Culler, Guard Bridge Holdings, Olives Paper Mill, East Lancashire and J. and J. Maslin, with Inveresk, Associated Paper, Transparent Paper and Clyde Paper making losses. Even Peter Dixon, one of the few to show a slight improvement, cut its dividend as a precaution because of the disappointing outlook.

It is estimated that since the beginning of this year, 49 paper-making machines have been taken out of service (admittedly, a few of them to make way for more modern equipment), and that 10 mills closed completely. Included in that roll call are two mills closed by Inveresk, and others belonging to Wiggins Teape, Associated Paper Mills,

slowdown in building means less base paper for laminated plastics. It's a gross oversimplification, says Mr. John Curtis, chairman of Thames Board Mills, but 900,000 people unemployed to me means less money going on convenience foods, and if sales of the end product drop off, so does the demand for packaging.

TBM (a Unilever subsidiary) is fortunate in two respects. Like other board makers, it uses mainly local raw materials, particularly waste paper, which means that it has no quarrel with the Scandinavians. Secondly, the company is price leader in the U.K., and imports are not a serious problem.

In other words, what troubles TBM is not so much the paper squeeze as the position a year ago for instance—were it not squarely on the sluggish state of the economy. The same is probably true of the specialist paper makers, like Wiggins Teape and Tullis Russell.

## Closely geared

Behind this gloom on an international scale, of course, is the slowdown in the world economy. As with many commodities, paper consumption is closely geared to changes in GNP. It is not just a question of the obvious things, such as the habit some companies have of cutting their promotion budgets in a severe year, but of thinner newspapers and fewer glossy brochures. A slowdown in car production means less demand for car engine filters, a

slowdown in building means less base paper for laminated plastics. It's a gross oversimplification, says Mr. John Curtis, chairman of Thames Board Mills, but 900,000 people unemployed to me means less money going on convenience foods, and if sales of the end product drop off, so does the demand for packaging.

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Wiggins Teape's financial results have been disappointing recently (it is a subsidiary of British American Tobacco), but at least superficially it would seem to have followed an intelligent policy in concentrating on specialised products with a lot of thinner newspapers and fewer glossy brochures. A slowdown in car production means less demand for car engine filters, a

One of its most important specialties is carbonless copy paper: it has two-thirds of the growing European market for this product, and is still spending £750,000 a year on further research work aimed largely at increasing its competitiveness. Such a move, says Mr. Russell, is put forward by Tullis Russell, a medium-sized, privately-owned company based at Glenrothes. Currently it too is watching its profits slip under the general pressure from such vulnerable products as newsprint and Kraft wrappings into more viable growth areas.

These two companies, with Thames Board Mills and a number of others, at least offer proof that the case for writing off the British paper industry and having all our paper made in Scandinavia is open to question. Indeed, since the industry lost its tariff protection within EFTA, the U.K. production pattern has swung strongly away from such vulnerable products as newsprint and Kraft wrappings into more viable growth areas.

## UN forecast

These include household tissues up from 150,000 metric tons in 1964 to 250,000 metric tons last year, though profits are suffering from over-capacity and wrappings and packings other than Kraft (up from 517,000 metric tons to 580,000 tons over the same period).

Long-term, the future looks bright enough, with a United Nations report forecasting that Europe by the mid-1980s will be able to make all the paper it needs. The one danger is that working on such low profit margins, the industry will not be able to finance vital expansion. "Papermakers are crazy," says Mr. Peter Gardner, assistant managing director of Wiggins Teape, referring to the industry's tendency to cut prices at the first sign of a fall in demand. "If the industry is going to be profitable, paper prices have got to go up substantially."

## Bi-partisan Dublin policy on Ulster

BY OUR OWN CORRESPONDENT

DUBLIN, August 25.

ALL THREE established political parties here have reached a common measure of agreement on policy towards Northern Ireland. They each want early political discussions leading to a direct involvement of the Government of the province.

Mr. Lynch, Prime Minister, continues to evolve policy in a partisan political context as he heads of the Government, but the two Opposition parties, Fine Gael and Labour, are now publicly endorsing his demands for a more equitable sharing of administration in the North.

The campaign shows no immediate signs of being co-ordinated on a national basis, and it is certainly not being encouraged by the Government here, but individual Republican activists and some trade associations at regional levels are seeking to organise the commercial boycott.

It is difficult to see the present campaign having much more than a token effect, but it would be highly significant in the event of an escalation throughout the country as a whole.

## Union talks

John Elliott writes: Northern Irish trade union leaders are to attend a special private conference in Belfast on September 13 called "Peace, Employment and Reconstruction," mirroring last year's pattern, when a similar trade union movement in the interests of ending the recent troubles.

This was decided yesterday by the Northern Irish Committee of the Irish Congress of Trade Unions, which also issued an "outspoken statement" condemning yesterday's bomb blast.

The idea of holding the conference stems from a meeting in London 10 days ago between members of the NI committee, Mr. Vic Feather, TUC general secretary, and Sir Fred Rayday, chairman of the TUC international committee.

Mr. Feather and Sir Fred are two of four observers from the TUC who may attend the conference along with representatives from the Scottish TUC and some other countries.

## U.K. to take over £4.7m. frigate Nkrumah ordered

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

THE BRITISH GOVERNMENT has agreed to take over a frigate, originally worth £4.7m., which was ordered by Dr. Nkrumah from the present Ghana Government. The agreement, which could involve Britain in a "loss" of some £3.8m., was reached on Tuesday after a meeting at Chequers between Mr. Edward Heath, the Prime Minister, and Dr. Kofi Busia, the Ghanaian Premier.

The frigate, which was constructed with special modifications for the Ghanaian navy, was ordered from Yarrow Shipbuilders in 1964. The British Government advanced Ghana a loan to cover 90 per cent. of the cost, of which the outstanding balance is £3.8m.

The Ghanaian paid 10 per cent. down, and have since paid back £445,000 of the capital and £488,000 in interest, although the ship itself has never been delivered and is still at Clydebank.

What the Government will do with the vessel remains to be seen. The vessel was built to be seen, past by the Ghanaian but without success. Whitehall officials said that no decision on its future had yet been taken.

Meanwhile, Mr. Heath has agreed that Britain will consult Ghana's other Western creditors, with a view to holding a further meeting to re-schedule Ghana's medium-term debts.

Britain is Ghana's largest single creditor and the Ghanaian Finance Minister recently publicly complained to the British High Commissioner in Accra that present re-scheduling arrangements, by charging high moratorium interest "sanctified the principle of relieving debts by increasing them."

Mr. Heath also apparently assured Dr. Busia that British development aid to Ghana, running at around £5m. a year, would be increased.

## Difficulties persist in chemicals

By John Trafford

VERY DIFFICULT trading conditions continue in the chemical industry as the latest quarterly report, published today by the Department of Trade and Industry, makes clear.

The report only covers the first quarter for chemical output while it covers the second quarter's trends in prices, costs and overseas trade.

## Improvement

Judged against a background of the decline in GNP, the 2.5 per cent. fall in chemicals output disclosed for the first quarter of the year over the previous quarter is not too bad. Chemicals output was, in fact, 4.5 per cent. ahead of the comparable period of 1970. A big improvement, mirroring last year's pattern, will be expected when output figures for the second quarter of 1971 become available.

The only major sector to show any growth in output over the fourth quarter of 1970 was organic chemicals, a category which comprises such things as solvents and intermediates, where a rise of 8 per cent. was achieved.

The largest declines occurred in pesticides (down 20 per cent.), fertilisers (down 11 per cent.) and synthetic rubber (down 9 per cent.). The performance of pesticides is largely explained by exceptionally high sales of weed-killers in the final quarter of 1970.

Perhaps the most noticeable aspect of the DTI figures from the industry's point of view are the trends shown in selling prices. While these, on average, advanced by as much as 3.3 per cent. in the first three months of the year, in the second quarter the rate of increase dropped to 2.0 per cent.

The largest price rise was in pharmaceuticals, which showed a 4.4 per cent. gain in the second quarter and a 10 per cent. rise over the second quarter of 1970.

In one of the sectors which matters most to the big petrochemical companies, synthetic resins and plastics, the price index only rose by 2.7 per cent. between the last quarter of 1970 and the second quarter of 1971.

The industry's cost index which covers expenditure on such items as oil, coal, electricity, packaging materials and chemical plant, showed signs of rising much less rapidly. The 2.7 rise recorded in the first quarter was transformed into one of 1.5 per cent. in the second.

Both imports and exports rose by about 10 per cent. in the first six months of the year compared with the first half of 1970. As usual, exports, at £462.5m., comfortably exceeded imports at £308m.

The volume of capital expenditure is estimated by the report to have risen 27 per cent. in 1970, reaching a peak of £281m. at 1963 prices. At current prices investment was 41 per cent. above the level of the previous year. First quarter investment in 1971 was the same as 1970.

## North Sea oil search licences

THE GOVERNMENT yesterday

announced the award of 15 blocks to search for oil and gas in the North Sea to the highest bidders in last Friday's auction. The winners include Shell-Esso, which made a dramatic £21m. bid for a block north-east of the Shetlands, and a small Canadian company, Chieftain Exploration, which proved the only bidder for a block north of the Orkneys. The auction will bring the Government over £27m. in total.

The auctioned blocks, which were introduced on an experimental basis for the first time in the North Sea, will be a total allocation of 436 licences in the U.K. sector of the sea.

Final awards for the remaining 421 blocks, which have attracted a record number of applicants, is expected in two to three months' time. The blocks are being allocated on a discretionary rather than cash basis, with allowance made for the work programmes being offered, the experience of the applicants and the degree of British participation.

The full list of the competitive tender awards now confirmed is: Block 3/18—£51,000: Total Oil Marine, Elf Oil Exploration and Production (U.K.), Aquitaine Oil (U.K.), Pict Petroleum, R.T. Exploration, City Zenith, Envoy Investments, Elpendene, Cavados Holdings, National Westminster Bank, Delta Metal, Krisel, Rhodanna.

Block 15/22—£113m.: Texaco North Sea U.K.—£871,005: Hamilton Brothers Oil (G.B.), Hamilton Brothers Petroleum (U.K.), Rio Tinto-Zinc Corporation, Blackfriars Oil, Trans-European Company.

Block 15/26—£335m.: Deminex (London) (jointly with BP Petroleum Development Limited). Block 16/27—£637,666: Phillips Petroleum Exploration U.K., Arig (U.K.), Fina Exploration, Century Power and Light, Halkyn District United Mines, Oil Exploration.

Block 21/7—£4,500: Chieftain Exploration (U.K.). Block 21/14—£3,200: Chieftain Exploration (U.K.). Block 30/22—£1,05m.: Texas Eastern (U.K.), Gas Council, Amoco U.K. Petroleum, Amerasia Exploration.

Block 20/28—£1.5m.: Conoco National Coal Board (Exploration), Gulf Oil (G.B.). Blocks 48/12 and 48/13b—£8,000: Chieftain Exploration (U.K.). Block 48/15—£245,164: Conoco National Coal Board (Exploration).

Block 21/17—£51,000: Total Oil Marine, Elf Oil Exploration and Production (U.K.), Aquitaine Oil (U.K.), Pict Petroleum, R.T. Exploration, City Zenith, Envoy Investments, Elpendene, Cavados Holdings, National Westminster Bank, Delta Metal, Krisel, Rhodanna.

Block 21/21—£21,05m.: Shell U.K., Esso Petroleum.

North Sea prospects Page 15

## CHARTER FIRMS SUBSIDIARY

Charter Consolidated, who has a 30 per cent. stake in a consortium which has applied for several licences to explore for gas and petroleum in the North Sea, has set up Charter Consolidated (North Sea Explorations) to handle its side of the business.

Home Oil of Canada, 60 per cent. and a group of English and Scottish institutions make up the consortium.

## BEA Airtours profit

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BEA AIRTOURS, the holiday charter subsidiary of British European Airways, made a profit of £154,140 in the financial year ended last March 31.

The operating profit amounted to £138,340, and the final profit is achieved by adding in interest of £15,855 and profit from disposal of equipment of £445.

After taking into account the loss of £84,079 incurred in setting up the company in 1969-70, the cumulative profit for BEA Airtours to date is thus £80,061.

During the 1970-71 year, BEA Airtours' fleet of nine Comet 4B jets flew a total of 17,802 hours and carried 650,000 passengers, chairman Mr. Philip Lawton and managing director Captain W. Baillie reported yesterday.

Mr. Lawton gave a warning, however, that in the current year, the company, "like all other air operating companies, is faced with very sharp increases in fuel costs, especially fuel costs, which have not been passed on to our customers."

"This is presenting the com-

## Charter group

SEVERAL EUROPEAN short-medium haul air charter operators, including some in the U.K., are forming a new international organisation to promote their collective interests in this rapidly expanding area of air transport.

Called the European Charter Carriers Association, it has evolved from the former European Air Charter Group, a small private "club" of airlines involved in the short-haul inclusive-tour and charter field.

To some extent, the ECCA is seen as a counter to the recently formed International Air Charter Association (IACA), which is regarded as too American dominated at this time, especially by long-haul airlines, although it is intended to be fully international.



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**GENERAL APPOINTMENTS**  
**APPEAR TO-DAY**  
**ON**  
**PAGE 10**

## Advertising and

## Another headache for commercial radio

BY MICHAEL RYAN

Anyone who imagines that local commercial radio will be able to provide audience figures even remotely comparable to the JICTARS television viewing figures has a rude awakening coming.

This was the conclusion to be drawn from last week's meeting of the Media Research Group addressed by Frank Teer, managing director of NOP Market Research and Brian Emmett, head of audience research at the BBC. In 1965 during the time of the pirates, NOP conducted a popularity poll which did at least provide a rank ordering of stations and demographic profiles of cumulative audiences.

But this is of little relevance to the situation which will face the commercial radio contractors when there will be so many more stations.

What about American experience? In the U.S. 24-hour listening figures are collected from seven-day diaries. Could this not be done here?

The radio researchers' difficulties start with money. Current estimates of the likely revenue of commercial radio are of the order of £5-10m. Assuming research expenditure of 1 per cent, this means £100,000 or £20,000 for each of 50 stations.

This will not go very far. An annual boundary survey, a once-a-year 24-hour listening survey, plus a contribution to a national radio survey: these were Mr. Teer's suggestions.

But the difficulties do not end with money. Radio is a medium carrying much less audience involvement than television or newspapers. People are therefore less able to remember what stations they listened to when they may not even know which station they are listening to at the time.

During the days of the pirates 18 per cent of those listening at home to a commercial station named it incorrectly as shown by checking their radio. Moreover, much radio listening takes place on the car, in other people's homes—and in such cases people are even less likely to know what station they are listening to.

What research will there be to guide prospective radio advertisers? The industry, Mr. Teer suggested, should be able to afford a once-a-year national survey to estimate the size and demographic profile of the cumulative audience for different time segments. The local surveys will be available to give an indication of departure from the national mean. But there will be no continuous listening figures and no spot audience figures. The data to estimate coverage and frequency for radio schedules.

In the media world, research data is sales data. It looks as if the research problems will further aggravate the difficulties that commercial operators will have in raising sufficient revenue from national advertising to supplement their local advertising revenue and cover their costs.

### AGENCY NEWS

#### Changes at the AA

MALCOLM WRIGHT has left the Advertising Association, where he was director of public affairs, and has set up his own agency. It is called Malcolm Wright and Associates and is at Ludgate Square, E.C.4. First clients are Excerpta Medica Foundation, an information organisation, and Strassenburgh, the U.K. end of a U.S. conglomerate.

His place at the AA has been taken by John K. D. Marks whose career has covered both agency and client sides of advertising. He originally joined Unilever but from 1951 onwards he has been with agencies—first Lintas, then Erwin Wasey, and subsequently Richard Wood as a director.

● Colin Goodson, currently one of five collaborative group heads at Wasey Pritchard Wood and Quadrant, is taking over as managing director of the agency. Dennis Reader, who has been combining the jobs of managing director and chairman since the merger of the two Interpublic agencies, Erwin Wasey and Pritchard Wood, two years ago, continues as chairman.

● Mattel, the Hot Wheels mini-cars and Barbie dolls firm, has placed its account with Lintas. Advertising last year, handled by Leo Burnett-LFE, was around £200,000. Lintas has been associated with Mattel's European offices for the past two years and the move will help in co-ordinating an overall marketing programme.

● Colman Prentiss and Varley has won the Lederle Laboratories account in competition with two other agencies. Lederle is a division of Cyanamid of Great Britain and bills about £100,000 a year.

● Green Shield has given £100,000 worth of its advertising to Roe Compton. The agency will examine the possibility of TV in addition to designing editorial and advertising supplements in regional and national newspapers. Radio will also be considered and incentive

schemes are being worked out. The budget could rise to £250,000 within the next two years.

● Young and Rubicam International put on billings of £33m in the first six months of the year, 56m of which was in May-June. The London agency contributed 15 per cent of the total rise.

● Foote Cone and Belding's direct response division now acts for Peter Saunders (mail order) and Vitatone International (in-house muscle toners). Both accounts are worth about £30,000.

### GEORGE'S TAV



Want to find a riverside pub? Or one with drag shows? Then Mandy (above) can give you directions for she is guiding visitors to London to the type of pub they are looking for. But the Pub Information Centre is not quite what the name suggests for the information is only about St. George's Tavern, part of Watney Mann. The Centre, in Vauxhall Bridge Road, is to be advertised on the London Underground and in guides to London happenings.

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### COMPANY NOTICES

## GM

DIVIDEND DECLARATION

## GENERAL MOTORS CORPORATION

Notice to Authorised Depositories and to owners of

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Representing units of one-twentieth of a deposited share of Common Stock

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The Depository will give further NOTICE of the STERLING EQUIVALENT of the net distribution per UNIT payable on and after 15th September, 1971.

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# The Marketing Scene

## At the sign of the Orange Hand

BY ANTONY THORNCROFT, MARKETING EDITOR



The hillboards show the kind of trendy boys' wear now on sale inside the Orange Hand.

THIS WEEK the Orange Hand revealed itself in four places in London and the Home Counties. But there is no need to get alarmed and take a cab to Baker Street. Orange Hand is the intriguing if quite irrelevant name chosen by the Burton Group for its latest subsidiary, the first chain of boys clothing shops to appear in the U.K. and anywhere else for that matter.

David Thomas, managing director of the enterprise, admits that boys in the five to 15 age group are not actually walking around naked but he points out that no specialist outfitters take them seriously. They are clothed rather haphazardly by department stores, Marks and Spencer, or small departments in menswear shops. Burton knows this for a fact since when they first had the idea of shops for boys three years ago they tried the cheap and trusted way of buying up at existing chains. They could hardly find any, and even they were too small or independent to prove a worthwhile investment.

So Thomas, who was recruited last December from the womens fashion side at Aquascutum, has had to acquire new sites. The first four entered on Tuesday at Golders Green, West Ealing, Kingston and Watford (a good sociological spread); two more appear next month at Manchester and Wembley, and another is planned for October. Then Orange Hand will sit back and see how they go. If the first takes off there might even be a chain of over eighty, the first successful example of segmentation in retail clothing since the emergence of Mothercare.

Orange Hand owes something to Mothercare in the layout of its shops. It called in Wolf Olfins, the corporate design consultants, for help and they contributed the name and the rather special appearance of the shops. These are basically "selling machines," walk round stores, with no such

traditional features as window displays. Instead there are plenty of seats, mobile changing rooms, and enormous panels in the shops showing how the clothes should be worn. But the most distinctive feature of Orange Hand is the actual merchandise. Thomas has brought lots of ideas from womens fashion with him. All the designs are aimed at the 12-15 years olds and the younger boys will wear the seniors' fashions in smaller sizes. If Thomas is right we will be seeing some pretty dandified 13 year olds in a few weeks' time, with trendy belts and styled sweaters which owe a lot to current womens fashions. But the main influences remain the military and football. He trucked down the source of British Army sweaters and ordered his own in the same style but much smaller—and complete with arm patches.

There will also be an emphasis on jeans: one item Orange Hand will not be stocking is grey shorts. No decent 12 year old will be seen dead in them these days. And each item of clothing has been sewn into it the Orange Hand label with the hand in various positions, including a Harry Potter. This should amuse the boys. Apart from that the Hand is banished to the outside fascia of the shops.

Rather surprisingly Burtons does not supply any of the merchandise. It comes from a wide selection of suppliers, many overseas. Most of the goods have been specially designed. For example, Thomas picked up the idea for some shoes from Paris and finally found a suitable manufacturer in Portugal. "To no Mothercare in the layout of its shops," he has access to the corporate design consultants, computer of another Burton subsidiary—Evans Outside. By name and the rather special appearance of the shops. These are basically "selling machines," walk round stores, with no such

There are dangers involved. Brands holding 40 per cent. To be seen nationally at least ten times a week, the chimps will be seen at a fete, a party political meeting and a ship's launching. In complete contrast to BBO's move is Lyons' launch of Silver Label, a quality but low price tea. It is the first new branded tea for about nine years. As reported on August 21, the new price is 81p a quarter and the brand has been developed in order to build market share. Lyons' major volume brand is dividend-carrying Premium Tea but dividends, although they have loyal followers, are a declining sector.

So Lyons, with close co-operation from Garland-Compton, has gone for the cheaper end (it accounts for 10 per cent of the total) where there is no major brand and the competition is with own labels. In Scotland, Anglia and Tyne-Tees, the basic aim of the TV ads, is to say that the quality at the price has been achieved by cutting out the costs (administrative and others) of give-aways, picture cards and trading stamps. Spending in the first four weeks is "at a national rate of £1m" and if the silver and red backs behind the job they are designed to, full distribution should quickly follow.

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## REGIONAL NEWSPAPERS

# A bad tendency to cry 'wolf'

BY TONY DAKIN

DESPITE their almost alarmist claims that they are too weak to face competition—yesterday it was the giveaways, to-day it is commercial radio—Britain's 1,400-odd provincial newspapers have certainly proved themselves capable of holding their own against the pull of commercial television and the nationals. Admittedly, there have been no big increases in advertising revenue but during a time of severe economic stringency the provincials have outshone most other media.

According to figures recently released by the Advertising Association, total expenditure on above-the-line advertising in 1970 amounted to £528m—a mere £10m up on the previous year. This figure looks particularly sick alongside the fact that production costs of press advertisements alone went up by £5m. Add to that 12 months' wage increases and the rises in paper prices, and it doesn't take much to see why the local Press, they were busy increasing their share of the advertising cake by £5m. Over the same period television revenue dipped £4m, and magazines and periodicals £2m.

**Negative**  
In the circumstances it is surprising that someone like David Partington, executive director of WENAB (the Weekly Newspaper Advertising Bureau) should take such a negative attitude over radio. He estimates a total advertising revenue from commercial radio of about £8m. Partington reckons it will be nearer £80m. "We are much too weak to compete with that sort of threat. It would just mean a cut in the number of local papers going out of business altogether. And we think the evenings are even in a worse position than we are."

Is there any truth in what he says? And how capable and strong is the local Press? Well, over the past eight months which have been some of the worst in the newspaper industry's history, the local papers have proved remarkably flexible. For instance, sizes to cope with. In addition there is the little matter of cost. Press advertising is classified

suading big advertisers to spend more as Robertson is the first to admit. Like that of the advertiser having to make different sizes of blocks to fit in with different sizes of newspaper and local papers have proved remarkably flexible. For instance, sizes to cope with. In addition there is the little matter of cost. Press advertising is classified

which in turn is made up largely of recruitment and property advertisements. The rising unemployment figure has made a sizeable hole in this revenue. But the loss has been almost entirely recovered in many cases by local display advertising gained through running special features. Westminster Press even reckons to be 12½ per cent up on last year. "The regional's main boast over the past few years," says Gordon Robertson, advertising director of Thomson Regional Newspapers and a director of ENAB (the Evening Newspaper Advertising Bureau), "has been the enormous effort they have put into building up their classified sections. The recent squeeze may have proved to be a blessing in disguise by turning our attention onto the advertising side. The next step is to increase our share of national advertising."

Traditionally, this has been the regional's weakest area. If a local paper carries 10 per cent national advertising it is thought to be doing reasonably well. There are problems about per-

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## Total Advertising Expenditure by Media

Media	£ million	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	Percentage of Total
National newspapers	44	88	84	99	111	108	20.5	20.7	19.2	20.6	21.4	20.5	20.5
Regional newspapers	66	87	87	99	112	118	21.0	20.5	20.0	20.6	21.6	22.2	21.0
Magazines & periodicals	40	50	46	50	53	51	12.8	11.8	10.6	10.3	10.2	9.7	12.8
Trade & technical journals	31	41	41	44	48	53	9.9	9.6	9.4	9.2	9.2	10.0	9.9
Other publications	2	5	7	8	9	11	0.6	1.2	1.6	1.9	1.7	2.1	0.6
Press production costs	15	19	20	23	29	34	4.8	4.5	4.6	4.8	5.6	6.4	4.8
<b>TOTAL PRESS</b>	<b>218</b>	<b>290</b>	<b>285</b>	<b>320</b>	<b>362</b>	<b>375</b>	<b>69.6</b>	<b>68.3</b>	<b>65.4</b>	<b>67.4</b>	<b>69.7</b>	<b>70.9</b>	
Television	72	109	124	129	129	125	22.9	25.6	28.4	26.7	24.9	23.6	22.9
Post and transport	16	17	18	20	21	22	5.6	4.0	4.3	4.4	4.0	3.9	5.6
Cinema	5	6	6	6	6	6	1.6	1.4	1.4	1.3	1.2	1.1	1.6
Radio	3	3	2	1	1	1	0.3	0.7	0.5	0.2	0.2	0.2	0.3
<b>TOTAL</b>	<b>312</b>	<b>425</b>	<b>435</b>	<b>479</b>	<b>519</b>	<b>529</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	

## Creating Excitement

There is another important part to Macdonald's marketing policy for regional newspapers. He believes that part of the reason why national advertisers fight shy of local newspapers is because the "young creative people in agencies do not find the medium exciting enough." So in October ENAB is running a series of seminars in Birmingham, Manchester, Leeds, Newcastle, Edinburgh and Glasgow for 30 or so creative people. The main attraction is to listen to Mr. Steve Schomer who is creative director of ENAB's equivalent American organisation, the Bureau of Advertising. "This man is very persuasive," says Macdonald. "He will show how American agencies are currently regarding the local Press as a very creative medium. I hope the creative people in British agencies will recognise the potential of working with 55 screens."

As one of ENAB's members wryly remarked: "The creative boys certainly won't have any inhibitions about working on local radio."

Macdonald has his opponents, though. Like Jimmy Gibb of Northcliffe Publications who believes that by offering blanket coverage the local Press is actu-

Until recently it was with some pride that a young marketing executive called himself a brand manager. Not any more, ANTONY THORNCROFT suggests.

# Brand managers reduced to ranks

"Instead of becoming generals inside companies most of them have turned out to be lance corporals", and few would deny that this rather acid comment on the status of the brand manager carries some substance. A decade ago brand managers were rather glamorous figures. They were the ones who looked after the big seasonal drives (at Christmas in particular) and another responsible for the rest of the year has gone. A market manager co-ordinates all the activities and sales have risen substantially.

Beasley thinks brand managers brought their troubles down on themselves. They were often immature and aggressive in their negotiations with buyers or the production staff, who are, after all, equally important to the brand manager. Many were too young to be given such responsibilities. Peter Fleck, managing director of the grocery division of Spillers makes a similar point. Brand managers were a "toy box" brand profit-ability. Now all the other departments are profit conscious and if a buyer in Australia can reduce his purchasing price by a penny his contribution to the profitability of the brand is great as that of the brand manager sitting in London. So at Spillers there is a more flexible framework, with brand managers moving into new product development work and back again, and four pruned chain of marketing responsibility.

**Pale Shadow**  
It has not worked. Companies are continuously redrawing their marketing departments and are now down grading or changing the name of the brand manager. He generally still exists but as a pale shadow of his former glory. He is the authority on the brand and if he is good his advice is taken seriously. But he is bound in by co-ordinating committees and answerable to marketing managers for all the big and many of the small decisions. The constant complaint of advertising agency executives that they are being asked to reject campaigns but not approve them is becoming more and more true. There are, of course, exceptions. Brand manager is an amorphous name. There are brand managers of 22 who can expect to hold the job for 18 months and brand managers of 50 with perhaps ten years knowledge of the brand behind them (this is the American model which often seems to work). The power of the brand manager over advertising expenditure is perhaps the crucial distinguishing factor. In Spillers the brand managers are allowed considerable scope for initiative but they must constantly inform their superiors of what they are doing and any radical change in campaign is decided by the marketing managers. At Brooke Bond-Oxo the brand managers negotiate with the agencies with a marketing brief prepared at a higher level.

The experiences of the confectionery division of Cadbury-Schweppes provide a neat example of the changes that are appearing in marketing departments. One of the first tasks of John Beasley when he came in from Leo Burnett-LPE as marketing director was to shake up the brand managers. "Some chaps were getting too parochial a view of the performance of their brands and were starting to justify even a negative sales record." Now there are six market managers looking after various sectors of the business, like moulded lines or assortments. Each has assistants who manage individual brands. The market managers take a broader marketing view of the brands while the assistants deal with the day to day problems. As a result on the assortments side the old division between one man looking after the big seasonal drives (at Christmas in particular) and another responsible for the rest of the year has gone. A market manager co-ordinates all the activities and sales have risen substantially.

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John Beasley

very competitive trading, decisions tend to be taken at the highest level and the brand manager has become the useful dogs body. But there were too many product managers, or brand managers, or market planning officers or whatever they are called now, not now the shock troops of the management revolution. But they are still there. They have proved their usefulness as cons in the marketing effort and if they are not quite the personality of the brand, 23 year old is going to make his age their day by day job is perpetuated by upsetting the established image of one of its veteran

## Black Magic changes!

FROM October 23 Rowntree Mackintosh is to spend over £100,000 on a new national TV campaign for Black Magic chocolates. One of the objects is to put some new life into the static assortments market and another is to introduce a subtle modernisation of the brand which has been virtually unchanged for 38 years.

The campaign extends the "stirred for 4 days" approach right back to the origins of the ingredients—Moroccan sweet-scented oranges for the orange creams are one example, and another is the Black Sea shore of Turkey for almonds. What research there is on the subject apparently shows that consumers are concerned about ingredients so the film crew worked on locations in the countries involved.

But the subtle change is in the pack—stilted to glove-box size, it is still black-and-white lettering but the name is now underlined in gold instead of the familiar white lines across the top and in the bottom right corner. This has been phased in since April, in the trough between the two big selling seasons.

A black box and a name with overtones that had no connection with chocolates, Black Magic was

launched in the 1930s. But the market research—one of the earliest prices—must have been pretty accurate, for the mixture of chocolates is still the same and J. Walter Thompson is still the agency.

**Gift-sending service**  
A NATIONAL gift-sending service, along the lines of Interiors, is now getting under way as a result of the National Chamber of Trade's agreement with Interiors. It is expected that 2,800 outlets will be in the scheme by mid-October covering hardware stores, confectionery and the drink trade.

It works in this fashion: the giver chooses and pays for a present in, say, Devon. The retailer then sends the order to Interiors which in turn sends a token to the recipient in, say, Blackpool together with a list of the retailers in the area. The Blackpool retailer gets paid by Interiors. There is also to be a delivery service at a charge of 40s. And it is planned to extend the operation to cover other countries.

## Selling at the buffers

By Pamela Judge

IT can't be all that often that stockbrokers, investment managers and analysts are invited to lunch on the train now standing at platform 4. But this is just what is going to happen up and down the country next month. The company hitting the trail is Nairn and Williamson (Holdings) and it is running the series in conjunction with its brokers, Fielding Newson Smith. If Nairn is mentioned, so it seems, the immediate reaction is "Oh, yes, we'll see the new designs in room diversification has included wall coverings, fashion fabrics and 28 travel agencies.

Executive directors and mixing next month. The basic reasons for the train is to take Nairn's latest Kingsford vinyls to the trade. And the four-carriage exhibition will in fact visit nine towns. By this means 1,500 customers will see the new designs in room diversification has included wall coverings, fashion fabrics and 28 travel agencies.

**CONFERENCES SEPTEMBER - NOVEMBER 1971**  
This is a selection of some of the conferences being organised this Autumn by The Industrial Society

**INDUSTRIAL RELATIONS**  
The Industrial Relations Act and the Code of Practice  
A series of one-day conferences to explain the implications of the Act on employers and employees.  
LONDON: Robert Hyde House, 48 Brynston Square, W1  
Thursday 2 September  
BIRMINGHAM: Robert Hyde House, 48 Brynston Square, W1  
Friday 3 September  
NEWCASTLE: Robert Hyde House, 48 Brynston Square, W1  
Saturday 4 September  
SHEFFIELD: Robert Hyde House, 48 Brynston Square, W1  
Sunday 5 September  
Fee £18 Members: £25 Non-members

**DEVELOPING GROUP INDUSTRIAL RELATIONS**  
A three-day residential workshop for personnel executives and industrial relations officers to discuss the implications of the Act on the group and the unit more effectively.  
RICHMOND: Hill Hotel, Richmond, Surrey  
Wednesday 29 September-Friday 1 October  
Fee £50 Members: £70 Non-members

**COMMUNICATION**  
A conference for senior managers to discuss the importance of good internal communication and the role of the house journal in creating it.  
MIDLANDS: Peter Street, Manchester  
Thursday 9 September  
Fee £18 Members: £25 Non-members

**GENERAL MANAGEMENT**  
Management by Objectives: Review of progress and problems.  
An opportunity for companies applying MBO to compare notes with others, and for those contemplating MBO to learn about its success and problems.  
BIRMINGHAM: Robert Hyde House, 48 Brynston Square, W1  
Tuesday 26 October  
Fee £18 Members: £28 Non-members

**MANAGEMENT EDUCATION**  
Business Schools and Industry: Sharing the Dialogue  
A one-day conference to consider how the recommendations of the recent report on Business Schools can best be implemented by industry and the Business Schools.  
PRINCIPAL SPEAKER: Trevor Owen, joint author of Business School Programmes—the Role of British Manufacturing Industry.  
CONNAUGHT Rooms, Kingsway, London, W.C.2  
Wednesday 29 September  
Fee £20 Members: £28 Non-members

**EUROPEAN INTERACTION**  
Management by Objectives: Review of progress and problems.  
A one-day conference for senior management to discuss the effect on employment policies of employing managers from Europe in Britain, or operating subsidiaries in Europe with British or indigenous management teams.  
ROYAL LANCASTER HOTEL, London, W2  
Tuesday 26 October  
Fee £25 Members: £35 Non-members

**YOUNG EMPLOYEES**  
Youth at Work  
A conference for 5,000 young employees to suggest ways in which they can contribute more to their job and to their development as people.  
SPEAKERS include: Anthony Wedgwood Benn MP; Ian Murray, TUC; Peter Bullen, Chairman and Managing Director, Scotland and Newcastle Breweries; John Garnett, Director, The Industrial Society.  
ROYAL ALBERT HALL, London, SW7  
Tuesday 23 November  
Fee £4 Members: £8 Non-members, reductions for parties of 20 or more  
Residential Course for Young People at Work  
A five-day course for young employees from 17-19 to increase job-involvement and personal development.  
University of Liverpool  
Monday 27 September-Friday 1 October  
Fee £36 Members: £50 Non-members

**The Industrial Society**  
Further details from  
The Industrial Society  
Robert Hyde House  
48 Brynston Square, London W1H 8AH  
Telephone: 01-262 2401







# The hard-won picture of North Sea prospects

IF HARD CASH is an indication of a company's intentions, then there was little doubt where Shell-Esso's interest lay in last week's North Sea auction. Its £21m. bid for block 21/13 North-East of the Shetlands—£12.5m. more than the next highest bid and alone accounting for well over half the total raised by the sale—was clearly no shot in the dark.

Like other companies, Shell-Esso had gathered considerable seismic knowledge of the sedimentary rocks underneath the sea bed and the surveys, by all accounts, showed a large structure on the block.

Unlike most other groups, however, the partnership had also drilled in the area, on block 21/12, less than 20 miles away. It must have been this which convinced it that the area had generated considerable amounts of oil in the geological past and that oil was likely to be trapped in the kind of structure showing up in the auctioned block.

Only further drilling on its new block will show the group whether its confidence is justified. But if a major field is found there, it will have a touch of justice to it. Shell-Esso, alongside a few other groups such as the Gulf-Continental partnership, took blocks in the difficult waters off Scotland in the first round of U.K. licences in 1964 and was, with the French Total group, the first to go to the far North off the Shetlands and Orkneys.

At that time there were few people, even within the experienced companies such as Shell and BP, who believed that the North Sea might become a major oil province by world standards. Oil seepages along the British coast and the discovery of a number of small oil fields in England and North West Europe had, it is true, long suggested that similar accumulations of oil or gas might be found off-shore, but many experts doubted whether they would be large enough to make commercial exploitation worthwhile.

The onshore fields, such as the Midlands finds in carboniferous rocks, were generally sited in much older rock than those of the more prolific areas of the world such as the Middle East. Geological movements of the rock had tended to produce small, fragmented structures where the oil might be trapped and geologists were inclined to believe in the existence of a similar pattern underneath the seabed, where the cost of drilling would make them uneconomic.

The picture was radically changed in 1959 with Shell-Esso's discovery, after 13 years of drilling some 200 wells, of the huge natural gas field in the Groningen province of North-Holland. The gas turned out to be in Rotliegendes sandstone in Permian rock strata and had probably seeped up from the carboniferous coal measures underneath.

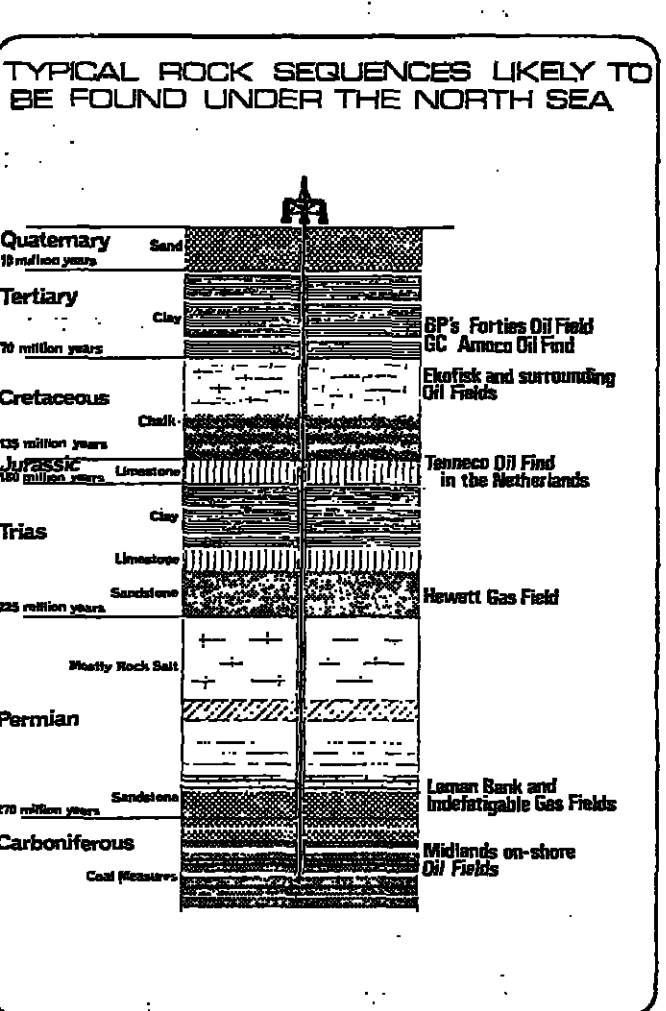
Similar geological conditions were known to exist across from the Dutch coast, through the southern part of the North Sea and onto the English coast—a number of small gas finds were made in Yorkshire. Off-shore technology was developing fast in the U.S. and in 1964 an agreement on boundaries between the various countries bordering the North Sea made possible the first round of U.K. North Sea major oil province by world standards. Oil seepages along the British coast and the discovery of a number of small oil fields in England and North West Europe had, it is true, long suggested that similar

Prospects for oil discoveries, however, remained more uncertain. The geology of the U.K. sector of the North Sea was divided by the mid-North Sea High, a ridge running east of Northumberland. South of this, the presence of sections of carboniferous coal measures gave considerable promise of gas. But the measures were not known to extend northwards and, while there were considerable sedimentary sequences which could contain oil there, it was yet to be proved that sufficient oil had been generated in the area to collect in them. Drilling in the southern area had produced little evidence that oil had accumulated in the younger Tertiary, Cretaceous and Jurassic rocks and there were doubts whether the older rocks would produce a more hopeful pattern than on land.

Nevertheless, the 1965 round of U.K. licences and the award of licences off Denmark and Norway encouraged companies to move into the deeper waters. Their efforts met with little success at first. Drilling was expensive, weather conditions difficult, and the early results depressing.

It was in an atmosphere of some disenchantment that Phillips finally found evidence of hydrocarbons in the Cod gas and condensate field off Norway three years ago. Two years later it discovered the huge Ekofisk oilfield further south in the Norwegian sector, and exploration activity exploded.

Oil in various quantities was found in several fields surrounding Ekofisk and in Denmark to the East. To the South, Tenneco discovered oil in the northern



part of the Dutch sector; while in U.K. waters, small finds were made by Phillips and Gas Council-Amoco. Followed by BP's discovery of a major field, the Forties Field off Scotland, and Shell-Esso's find of a potentially commercial reservoir of oil on block 30/16, the "Auk". The discoveries clearly established the North Sea as a major oil province. A concentration of a large number of big fields is unusual anywhere outside the Middle East. In the Forties and Ekofisk, the North Sea had at least two fields capable of producing 300,000 barrels a day. The oil was of good quality and the characteristics of the reservoirs, with high flow rates and thick producing sections, impressive.

The spate of drilling activity which accompanied these discoveries enabled the companies

to start building up a more precise picture of the geology of the northern part of the North Sea. The depth of the younger sedimentary rocks had surprised many; interest rapidly concentrated on a long basin, or central, rift-like, valley defined by large faults on either side which lies in the middle of the sea on either side of the median line between the Norwegian and U.K. sectors of the Continental Shelf and down to the Danish and Dutch sectors.

The basin has proved to have particularly thick sections of the Tertiary and Mesozoic periods where most of the oil finds have been made. The lower part of the Tertiary and upper part of the Mesozoic have proved especially productive. Ekofisk and the surrounding fields of Eldfisk and Torfeld for instance, were discovered largely in Cretaceous and lowermost Tertiary (Danian) chalk, which appears to cover a restricted area South West of Norway.

BP's large find on block 21/10 is believed to have been made in basal Tertiary sands. But other finds have also been made in the older and deeper rocks of the Mesozoic period. Phillips' small Josephine discovery in U.K. waters produced oil from Triassic, Tenneco's in the Netherlands was made in Jurassic, while Shell-Esso's on 30/16 is also believed to have produced from these older rocks. This at least has encouraged a number of companies, such as Hamilton Brothers, to drill their wells much deeper.

It is at these sequences of rocks that the exploration groups are now directing their efforts. So far, most of the drilling has taken place in the main saucer-shaped part of the central basin East of the Scottish mainland, where both the

Forties and Ekofisk fields and the majority of other finds have been made.

As the auction last Friday showed, the more experienced companies have already gained considerable knowledge of this area. Bidding in the sale was concentrated on only four or five blocks North-East of Aberdeen, and showed a remarkably similar evaluations.

Further north where the basin extends past the Shetlands and the water becomes much deeper, knowledge is more limited. Only Shell-Esso and Total have drilled there and they are keeping the results very close to the chest. But the sedimentary sequences of younger rocks are again thick, while seismic surveys suggest large folds in the structures which could contain very substantial quantities of oil. More than 50 blocks are being offered in the region on a non-auction basis in the present round.

Thick sequences of younger sedimentary rocks are also known to lie in other areas of the U.K. Continental Shelf, outside the central basin. The Moray Firth, for instance, where Hamilton Brothers and Total have been active, contains a basin of thick strata of the Mesozoic periods. In the Irish Sea, Gulf-NCB have drilled several wells in a basin of Triassic, Permian and older rocks, while BP last year took several blocks in a basin just West of the Orkneys.

In addition to these, the Government is opening up considerable acreage in virgin territory. West of the Shetlands and Orkneys, it is offering some 80 blocks towards the edge of the Continental Shelf, where sedimentary sequences have been collected at water depths of 600 feet or more.

Prospects in these areas are far from proven and there is considerable debate within the industry as to whether oil will ever be found outside the central basin. The basins are much smaller and appear less varied in the type and age of structures, while the unusual thickness of Tertiary rocks found around Ekofisk and the Forties has not been found West of Scotland or Wales. So far, the wells drilled in the Moray Firth, in the Irish Sea and by Marathon off the coast of the Irish Republic have all proved unproductive.

But seepages on the West coast have proved the presence of oil in various parts of Western Scotland, England and Wales, while seismic surveys have established that considerable thicknesses of sedimentary rocks, at least of the Jurassic, Triassic and Permian ages, lie beneath the sea bed. The Celtic Sea in particular has hardly been touched and a number of companies are known to be enthusiastic about prospects.

In the end only continuous drilling will prove them right or wrong. The history of the North Sea has been one of constant surprises and there are still vast areas of virgin acreage to be explored. Seismic techniques for calculating the depth of sedimentary rocks and the presence of likely oil or gas-bearing structures are being refined all the time and the technology of drilling and production is being rapidly developed to tackle deeper waters and rougher weather.

It took nearly 200 wells, and the expenditure of as many million pounds, to discover oil in the North Sea. It may well take as much frustration, expenditure and effort again to establish a clear picture of just how much there is around the coasts of North-West Europe.

## Labour News

### Turn for better in strike record—Carr

BY ALEX HENDRY, LABOUR REPORTER

THE STRIKE-figures published today confirm that there is a trend towards fewer but longer strikes. In the first seven months of this year there were just over half the number of strikes compared with the corresponding period last year, but the number of days lost was almost doubled.

However, Mr. Robert Carr, Secretary for Employment, said last month that the fall in the number of strikes and in the total number of strikers showed that Britain's strike record had taken a sharp turn for the better. The statistics in today's Department of Employment Gazette will bolster that belief.

They show that in the first seven months of this year there were 1,364 strikes, involving 774,000 workers who lost 11.2m. working days. For the corresponding period last year there were 2,587 strikes, involving 1,983,000 workers who lost 6.1m. working days.

But the figures for this year include the Ford and Post Office strikes which between them account for 8.5m. working days lost. They are broken down into 26 industrial categories.

The breakdown shows clearly the trend to fewer but longer strikes. In the distributive trades, for example, there have been 36 strikes involving 4,800 workers and a loss of 23,000 working days this year compared with 53 strikes involving 8,000 workers and a loss of 22,000 working days for the corresponding period in 1970.

The Gazette also includes figures on the changes in basic rates and shows that in the first seven months of this year 5.4m. workers got increases that will add £9.1m. to the wages bill.

### Peace talks fail to end Lucas dispute

THERE WAS NO hint of a peace formula yesterday after talks between management and union officials to end the unofficial strike by 300 maintenance engineers which has closed nine Lucas factories and made 13,000 men idle.

The strikers are due to meet tomorrow to discuss the dispute which is over the company's refusal to give them the same holiday pay rates as other workers.

The decision to close the factories, where there was already some short-time working, brought allegations from union leaders that it had been done because of a shortage of orders. The car manufacturers are understood to be carrying a high level of component stocks and it is estimated that it would be at least 12 days before the Lucas shutdown would affect car production.

Nearly 17,000 Birmingham car workers are now idle because of the Lucas dispute and a strike at Austin Morris, Longbridge, involving 26 workers in the engine department. Another 3,600 workers have been laid off as a result.

Chrysler U.K. in Coventry, 3,000 assembly workers went back to work yesterday after a two-day lay-off caused by the drawn-out dispute over the Coventry tool room agreement. The 10,000 toolmakers in the city have agreed to go ahead with a series of one-day strikes. The first will be on September 6.

They have already banned overtime and this has hit a number of factories because of delays in the servicing and replacement of tooling equipment. The strikes and industrial action are a protest against the local employers' federation to end the 30-year-old Coventry toolroom agreement on September 1.

### Pay claims for 3m. will test Government policy

THE GOVERNMENT'S pay strategy will be severely tested in the next few months with substantial pay increases being demanded for nearly 3m. workers in engineering, electricity supply and the bus industries.

The biggest of these begins today when the engineering unions present their eight-point claim for 2.5m. workers to the Engineering Employers' Federation, in London. It could cost anything up to 30 per cent. and will be the most severe challenge yet to the Government, which seeks to limit increases to not more than 10 per cent.

Fewer hours

And yesterday union leaders representing 120,000 electricity supply workers, whose work is rule last year blacked out many areas in the country, decided to press for a substantial increase, an extra week's holiday, taking:

## Concorde promotion flights considered

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE POSSIBILITY of the British-assembled Concorde 002 being sent on one or two extensive overseas tours in the next few months is being considered. The idea follows the announcement that the French prototype, 001, is to go to South America early in September to promote the aircraft there, as well as to help French exports at a trade fair in Sao Paulo.

One suggestion put forward is that the British prototype could go to Japan for the international air show in Nagoya from October 29 to November 3. But it is believed that this date is far too early for serious consideration.

In view of the complexity of setting up such an operation—technical support, for example, at several stops in the Middle East, India and South-East Asia.

**Dulles show**

A more significant event from the British point of view would be the U.S. international air display that is planned for Dulles Airport, Washington, next spring. This would be a less complex and expensive operation in terms of providing technical support, and might have more impact in that it would enable the Concorde's manufacturer to demonstrate that the aeroplane is not quite the noisy menace that some American pressure groups have claimed.

Also, it would provide many U.S. airline executives with the opportunity of flying in the aeroplane, and might help substantially with sales negotiations.

The Concorde flight test programme provides eventually for extensive overseas route proving and crew training flights, but the idea now under consideration is to perhaps bring this forward.

This is possible because the technical flight test programme has gone so well. The aim is to use a few major trade events as a means of promoting Concorde.

To some extent, the British industry's concern is prompted by a feeling that the French are stealing a march on the British by using their aircraft in this way.

**Test schedule**

Another reason why the Dulles air show would be a better venue for Concorde than the Japanese air show is that by then the first "pre-production" aircraft, which is due to make its maiden flight in October, will have built up enough flying hours to ensure that it could continue the flight test programme while 002 was overseas.

The British Government has to balance the benefits to be gained from such trips against the need to keep the test programme rolling steadily forward with the minimum of disruption, and also to consider the costs involved in enabling the Concorde's manufacturer to demonstrate that the aeroplane is not quite the noisy menace that some American pressure groups have claimed.

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## Over 50% fail paper on SE practice

BY KENNETH GOODING

RESULTS of the first full Stock Exchange examinations are published today and show that more than half the would-be members failed the paper on Stock Exchange practice. Of the 434 candidates who took the paper only 204, or 47 per cent., passed.

This is in stark contrast to the other three subjects—interpretation of company reports and accounts; taxation; and technique of investment—which all produced a success rate of at least 70 per cent.

The Stock Exchange practice paper covered dealing procedures and rules and Settlement technicalities. The most likely reason for the high number of failures is that candidates probably thought they knew enough about the subject without bothering to read the paper.

There is also the point that in the past there have been no courses on Stock Exchange practice although the City of London Polytechnic and some correspondence colleges are now offering them.

**Serious subject**

Apparently the Stock Exchange Council in London (which saw 51 per cent. of its candidates pass the paper) takes the view that the results show the subject

## Refrigerated cargo talks

NEW ZEALAND conference lines—Shaw Savill, Port, Blue Star and New Zealand Shipping Company—will resume negotiations in Wellington on September 20 for a big increase in refrigerated cargo rates.

Sir John Ormond, chairman of the New Zealand Meat Board, has already indicated, however, that an increase of the size sought by the lines—reported to be between 20 and 25 per cent.—will be strongly resisted in New Zealand.

## Sir Hugh Greene quits BBC

BY RAY DAFTER

SIR HUGH GREENE has resigned from the BBC Board of Governors, it was announced yesterday.

Mr. Christopher Chataway, Minister of Posts and Telecommunications, said the resignation was because of Sir Hugh's increased business commitments which would prevent him from devoting the time he would like to BBC affairs.

The Minister, in accepting the resignation, praised Sir Hugh's distinguished service to the BBC, spanning 31 years and including nine years as Director-General.

Sir Hugh, who was not available for comment last night, has recently been appointed chairman of Greene, King and Sons brewery company, as reported in the Financial Times on August 13.

He is also chairman of the Bodley Head and a member of the Observer Editorial Trust.

Sir Hugh joined the BBC in 1940 as head of the German service. After holding a number of other appointments he became controller of overseas services in 1955. He was director of administration and director of news and current affairs before being appointed Director-General.

شرکت ملی نفت ایران

### NATIONAL IRANIAN OIL COMPANY

IN 1970

The following is a summary of H. E. Dr. M. Eghbal's Annual Report for 1970 on the activities of the National Iranian Oil Company.

The greatest success that the National Iranian Oil Company achieved under the guidance of H.I.M. the Shahanshah Arya Mehr during the past year was a large increase in the posted prices of crude oil, as a result of which Iran's oil revenues increased markedly.

In the year 1970, Iranian crude oil production exceeded 221.18 million cubic metres, an increase of 13.4 per cent over that of the previous year.

During this year, total exports of Iranian oil increased by 15% to a total of over 211.8 million cubic metres, and Iran became the leading oil-exporting country in the world.

The total income of the Iranian Government and the National Iranian Oil Company from the Consortium Agreement Area during the year 1970 amounted to £443.4 million of which £107.6 million were stated payments, £329.4 million income tax from the Consortium Trading Companies and £4.4 million income tax from Iranian Oil Operating Companies. In addition, the Government's income from the Iran Pan American Oil Company (IPAC) was approximately £3.96 million, Société Iran-italienne des Pétroles (SIRIP) £1.04 million, Lavan Petroleum Company (LAPCO) £11.23 million and from Iranian Marine International Oil Company (IMINOCO) £2.56 million. Oil revenues from the various companies active in the country, income tax on employees' incomes, income tax on the company's net profits, contractors' income tax, other taxes and dues, and the increase in prices of products for internal consumption totalled £539.5 million.

New construction projects in the oil, gas and petrochemical sectors were completed and commissioned last year.

The world's biggest gas trunk line was inaugurated in the presence of His Imperial Majesty, the Shahanshah Arya Mehr and His Excellency Nikolai Podgorniy, Head of the Supreme Council of the Union of the Soviet Socialist Republics. The Shapur chemical complex, the largest such complex in the Eastern Hemisphere, was also inaugurated by H.I.M. the Shahanshah Arya Mehr last year.

Other important oil industry installations inaugurated by H.I.M. the Shahanshah Arya Mehr were IMINOCO's production and export terminal on Lavan Island and the microwave communication centre of the National Iranian Oil Company.

The Mahshahr liquid gas fractionation installations, the largest of their kind with a capacity of 2.8 million cubic metres per year, were also completed during this year.

Among the huge projects carried out in 1970 were the major modification and expansion of Kermanshah Refinery and the construction of a new refinery at Salsabil in South Africa with a capacity of 2.9 million cubic metres, in partnership with the National Iranian Oil Company. In addition, the fourth Kharg project is currently underway on the west coast of the island to permit the Kharg crude terminal to receive tankers of up to 500,000 dwt. During the past year, the distribution of oil products, including liquid and natural gas increased throughout the country, especially in the rural areas, and reached a total of approximately 10.4 million cubic metres. About 45% of this amount was produced by the Tehran Refinery.

With the extension of the distribution network throughout the country, the Distribution Group, with 11,000 oil product distribution and sales centres, supplied approximately 70% of the country's total oil consumption.

The National Iranian Gas Company (NIGC) commenced export of gas through the gas trunk-line to the USSR and developed the consumption of gas within the country through branch pipelines in accordance with a long-term plan for expanding gas consumption internally.

The National Petrochemical Company successfully developed its marketing during the last year. A long-term agreement was signed with India for the sale of products from the petrochemical complex. Necessary studies are being carried out with a view to increasing the production of the Abadan petrochemical complex. The construction of sodium carbonate and bicarbonate units adjacent to the Shiraz fertilizer plant will be completed by the end of 1970 (March 1972).

In accordance with H.I.M. the Shahanshah Arya Mehr's directives for the expansion of the National Iranian Oil Company's activities abroad and entry into international markets, successful steps were taken last year. Some 6.8 million cubic metres of crude oil from both the affiliated oil companies and the Consortium Agreement Areas were exported directly by the NIOC.

The National Iranian Oil Company increased its efforts in the field of scientific and technical research related to the oil industry, and co-operated closely in various projects carried out by other Government establishments.

Exploration drilling in the Consortium Agreement Area led to the discovery of oil at the Karoon field, and SIRIP struck oil at its Shoroom field located in the Zagros mountains. Production commenced at the Pars-Siah field in the Consortium Agreement Area and at SIRIP's Hendijan field.

The National Iranian Oil Company, the sole shareholder of the National Iranian Tanker Company, owns four ocean-going tankers, two of 33,000 tons and two of 53,000 tons. It is preparing to buy larger tankers, and is training officers and crews for the operation of this fleet.

During the past year, the National Iranian Oil Company has carried out extensive technical training programmes in order to train the qualified personnel required in different areas of the oil industry.

Last year, the National Iranian Oil Company assigned Iranian experts to various foreign countries to assist in their oil operations. The biggest number of such experts was assigned to Algeria.

It must be emphasized that all these achievements of the National Iranian Oil Company would not have been possible without the guidance of His Imperial Majesty the Shahanshah Arya Mehr and the loyal efforts of the employees of the oil, gas, petrochemical and affiliated companies.

H. E. Dr. M. EGHBAL  
Chairman of the Board & General Managing Director



# COMPANY NEWS & COMMENT

## Second half recovery by Vantona

SECOND HALF profits of Vantona, the Manchester based textile group, have improved sharply from £207,803 to £251,249. This more than offsets the downturn in the first six months, and brings the figure for the year ended April 3, 1971, up to £773,229 compared with £754,488.

The 3 per cent. cut to 4 per cent. in the interim is being restored in the 9 per cent. final proposed which maintains the total at 13 per cent.

1970-71 1969-70

Profit 773,229 754,488

Charged: Depreciation 279,660 274,862

Loan int. 160,000 157,750

Taxation 231,250 248,000

Minorities 71,150 68,237

Free assets 51,213 48,237

Net profit 380,416 346,432

Pre-tax dividend 51,220 51,220

Ordinary 242,417 242,417

Reserves 86,779 82,163

Meeting, Manchester, September 23.

● comment

Minus sales figures, indications of the state of play in France and Holland and clues to any acquisition growth, the 1970-71 results from Vantona pose more questions than they answer. France and Holland ran up a combined first-half loss of £63,000, so their trading October to March could have had an important bearing on a group second-half performance that takes in profits 33 per cent. higher pre-tax. A first time injection from the Mary Harris acquisition must have played a part in the profits upswing.

At any rate, the upshot is 1970-71 profits ahead by 5 per cent. before tax, and fully diluted and taxed.

The resulting 10.1 p/e at 43p is suitably cautious among the accounts.

INCORPORATED practitioners in advertising.

The Pemberton Group, reports a contraction in first-half pre-tax profit from £112,489 to £90,609 but the directors are keeping to their forecast of substantially increased earnings for 1971. Profit for 1970 was £119,594.

The interim dividend, on capital increased by the acquisition of a minority interest in E. Lindsay Smithers (Pty.) of South Africa, is reduced from 10 to 7 1/2 per cent. The 1970 total was 14 per cent.

The directors explain that owing to new measures within the industry relating to payments to media, it is prudent that significant additions to liquid resources be made out of profits.

First-half net profit was £41,509 (£56,489), after tax of £49,000 (£56,000).

● comment

A drop of 19 per cent in Pemberton's half-time profits hardly seems to substantiate the optimism expressed in the last annual accounts. U.K. turnover has again been sluggish and with some client cancellations, the advertising, total billings are likely to fall below the expected £12m. Despite these problems the major headache appears to have been overcome.

Both the Italian and Australian subsidiaries are incurring losses. These companies are now, however, out of the red but the U.K. activities have since met with another blow. This has come from the fact that the company insists on immediate settlement of accounts and its intention to enforce this by financial penalties.

This is bound to tax the liquid resources of the company, which as 1971 is concerned, Pemberton should comfortably exceed 1970 profits given that the current half has to return just £22,000 to provide annual all-square result. But then Pemberton needs to produce.

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## INTERNATIONAL COMPANY NEWS + EURO MARKETS

## Zeiss Ikon to cut work force by almost half

BY CHRISTOPHER LORENZ

ZEISS IKON, the West German camera manufacturer, will completely close its Zeiss Ikon plant in Brunswick, near Hannover, by the time next year. As a result, the West German Zeiss name will almost completely disappear from the world camera market and Ikon's 4,000-strong work force will be cut by 43 per cent.

The Voigtlander plant, which was taken over by Zeiss Ikon less than two years ago, bears the name of the world's oldest camera company. Zeiss Ikon, which is 93 per cent owned by the Carl Zeiss Foundation, blames the closure on the impossibility of producing a wide range of cameras in the lower and middle price ranges on a competitive basis in West Germany. It cites, in particular, low-price competition from East Germany, Japan, and Communist China.

Although Zeiss Ikon has made many attempts to rationalise production, including the concentration of camera output on the Voigtlander factory—it has always refused to follow the lead set by other West European camera producers in moving to

countries where labour costs are low. The company, which made a loss of DM10m in its 1969/70 business year and is expected to repeat this performance this year, will continue to make optical equipment, lenses, leather goods and other products at its several German factories.

An apparent contrast to the

## Salomon for London

BY JUREK MARTIN

SALOMON BROTHERS, one of the best known and respected American brokerage and underwriting houses, will open an office in London this autumn, probably in October.

The firm has yet to make a formal announcement of its plans. Officials of the firm to-day declined to discuss any details of the proposed operation, but they did acknowledge that all that remained to do now was to issue a public statement on the matter. This statement has, apparently, yet to be drafted.

BONN, August 25.

Voigtlander closure is to-day's announcement by Rollei, another of Karl Zeiss' strongest competitors in the camera field, that it will raise its capital from DM18m to DM30m. The increase is needed to finance Rollei's ambitious expansion plans for its new complex in Singapore.

NEW YORK, August 25.

Salomon Brothers already possesses a formidable international reputation and the establishment of a London office would enable it to extend further its activities. Since it is easily the largest bond house on Wall Street, considerable speculation will now centre on whether it intends to enter the Eurobond market; the firm would not comment on this possibility to-day other than to say that obviously this was an area of considerable interest.

## JAPANESE STEEL INDUSTRY

## Now the pressure is on Nippon Steel

BY HENRY SCOTT STOKES IN TOKYO

ARE THE profit margins of Nippon Steel coming under further pressure despite the vigorous management of Mr. Yoshihiro Inayama, the diminutive, peppy president of the world's largest steel producer? During the last five years, the margin on sales has steadily declined, from 5 per cent to 3 per cent, and the question is whether the Japanese steel industry can withstand pressures and prevent it declining further.

The turnover of Nippon Steel in the last six months term to March, 1971, was Yen 634,491m, and the level of pre-tax earnings was Yen 18,310m. The present estimate of steel industry analysts, however, is that turnover will fall a little, to a level of about Yen 630,000m in the current term and the level of profits is expected to be only marginally above the 2,000m. According to Nihon Keizai Shimbun, the leading Japanese financial newspaper, profits of Nippon Steel may be down this term by as much as 20 per cent.

Mr. Inayama's approach to the situation is that which he has

favoured for many years, since he joined the industry in 1927 as a graduate of the old Tokyo Imperial University. Fundamentally, he believes in co-operation between the half-dozen leading concerns which compose the Japanese steel industry, rather than "excessive cut-throat competition," as he put it to-day in Tokyo. All changes facing the Japanese steel industry (and thus all threats to profit margins), are best countered by the kind of industry-wide collaboration, which saw its most complete form in pre-war days in Japan with the formation of a national iron and steel company in 1934 (for which Mr. Inayama worked until the war).

That this is the way in which the mind of Japan's leading steelman works was shown in the late 1950s when he lobbied away, together with the current chairman of Nippon Steel, Mr. Shigeo Nagano, to merge the two leading companies, Yawata Steel and Fuji Steel, which had before the war been parts of the national Japanese Iron and Steel Company.

The merger was finally achieved in March, 1970—creating an industry leader with one-third of steel production (33m. metric tons of steel production last year). This was one way, both Inayama and Nagano felt, to ensure the future of the Japanese steel industry, by creating a dominant company, which would be able to lead Japanese industry in the right direction.

What this direction should be, Inayama had many times stated, was simply that of maintaining reasonable profit margins by allowing steel production to expand only within the limits permitted by the growth of the economy. This is not to say that Inayama was opposed to expansion by European or American standards; he remained a rabid expansionist. His general line, however, last year, faced by Government predictions that Japanese steel production would rise to about 160m. tons of crude steel a year by 1975, was to rebuff such "excessive" enthusiasm, and to opt for a lower target—130m. tons. More recently, he has reduced this to only 120m. tons, in slowing-down the drive of the steel industry in Japan as a whole. There is still the most

intense desire to increase production, and one detects this in Inayama's own company for all his talk of the need for moderation. Investment this year, for instance (as opposed to total production in 1970 of 50m. tons).

Not that Inayama has been suc-

cessful in getting the leading Japanese steel companies to co-operate on exports. Exports to the U.S. have been controlled for two years already under a voluntary industry agreement. This has to be renegotiated this autumn, as it expires at the end of the year, and the only remaining issue, it seems, is whether the annual increase in volume should be 2.5 or 3 per cent a year.

"This is a gap which we should be able to close by negotiation. It really doesn't matter too much," said Inayama.

The trouble is that re-negotiation with the U.S. industry of the new export ceilings has been complicated by Mr. Nixon's new import surplus of 10 per cent, by the prospect of a Yen revaluation (which now seems likely to take place within the next month at least), and by industry plans for raising Japanese export prices by nearly 10 per cent—before the latest Nixon move. What seems clear, however, is that one way or another, Japanese exports to America (worth \$900m. last year) can be well maintained, while exports elsewhere—Europe—can also be held back, if necessary, given strong European pressure. (Mr. Inayama himself has only recently returned from discussions with European producers about cut-

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## IN BRIEF

## Europe

● BP and ANIC, subsidiary of Italian State-owned ENI, formed new company, Italproteine, with view to production of protein in Italy using BP's process for growing yeast on oil. Implementation of proposed project is dependent upon findings of detailed study, which has already started, confirming to both BP and ANIC acceptability of economics and financing arrangements. Proposed Italproteine, which is owned 50:50 by BP and ANIC, will construct by BP's process of 100,000 tons plant in Sardinia for production annually of protein from normal paraffins.

● MONSANTO EUROPE net profit dropped to B.Frs.138m. last year from B.Frs.150m. in 1969.

● LYON GROUP will open office in Paris in preparation for future industrial and commercial partnership development in Europe. At this stage, group is primarily con-

cerned with prospective sites in France, but is also looking closely at Germany, Holland and Belgium, with view to long-term development plans.

● NOBLE GROSSART, Edinburgh-based merchant bank, completed placing, largely by Scottish institutions, of \$18m. of equity and loan stock for D. W. Phillips International. This is parent company of European group, registered in Luxembourg, and with headquarters in Monaco, which provides personal and other repair services under the trade name "Mister Minut".

● SWISS ALUMINIUM will float A Treasury witness undertook from September 7 to 12 Sw.Frs.100m. loan, with 6.25 per cent coupon. The 15-year loan will be issued at 100.6 per cent.

● SKF KUGGELLAGER-FABRIKEN DM100m. loan will carry 8 per cent coupon, run for 15 years, and be issued at 100.5 per cent. Deutsche Bank said a joint consortium leader with Dresdner Bank.

● OCE-VAN DER GRINTEN, Dutch reprographic group, said profit for year ending November 30 should advance over last year's Fls.15.3m., although profits so far this year failed to keep pace with growth in sales.

● THOMSON NEWSPAPERS, of Toronto, reports unaudited profit of \$7.66m. or 47.7 cents a share, for six months ended June 30, against \$6.68m. (39.5 cents) a year earlier. Latest period profit excludes extraordinary income of \$23,652 and 1970 profit excludes extraordinary income of \$569,034. Revenue \$60.67m. (\$53.04m.).

● BP OIL AND GAS, of Calgary, net earnings for the first half of 1971 amounted to \$3.79m. (12.9 cents per share) compared to \$2.93m. (12.9 cents per share) for the first half of 1970. Gross income for the period was \$11.38m., an increase of 11.5 per cent over the corresponding figure for last year.

● DEERE net earnings in third quarter, ended July 31, rose to \$1.63m. (\$1.11 per share) from \$1.27m. (77 cents) on sales increased to \$309m. from \$284m.

● SCOTTISH AND YORK HOLDINGS, of Toronto, controlled by Lord Thomson and engaged through subsidiaries in insurance and insurance agency business, plans to split its common shares on a two-for-one basis and will increase dividend to 14 cents a share quarterly from 12 cents. Profit for six months ended June 30 was \$Cdn.109,000, or 73 cents a share, against \$Cdn.70,000 (53 cents) a year earlier.

● CHRYSLER FINANCIAL CORPORATION filed with SEC for offering of \$80m. of 20-year debentures, due 1991, through First Boston Corporation and Merrill Lynch, Pierce, Fenner and Smith. Offering is expected around September 13.

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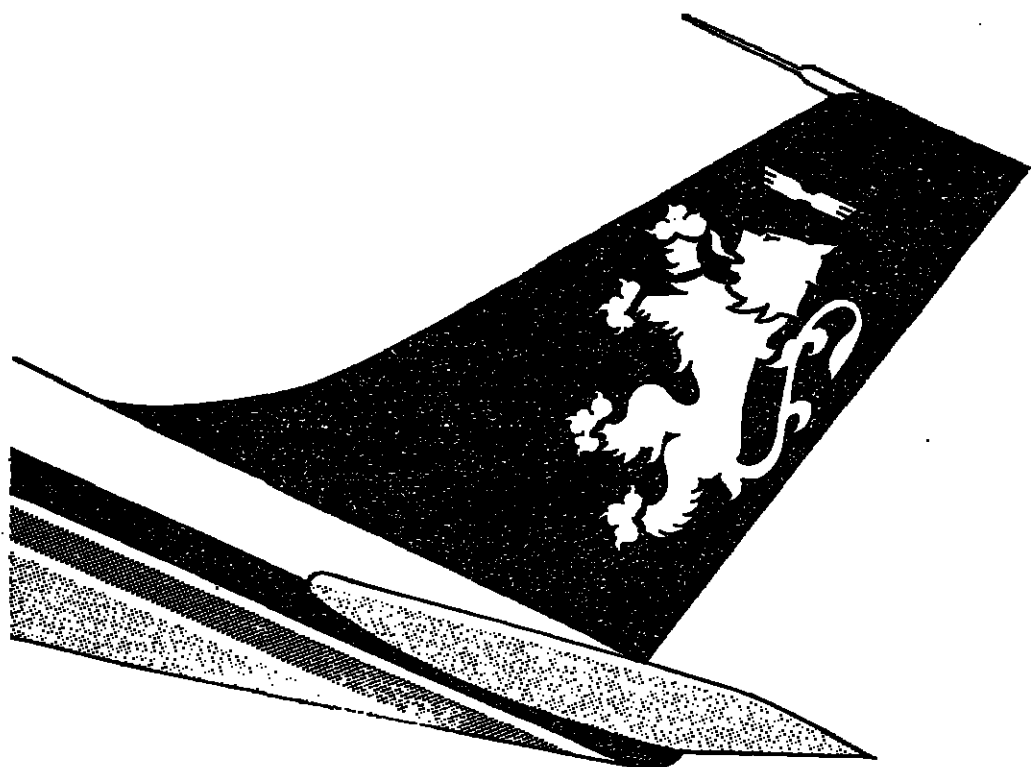
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## AIR CHARTERING II

# Role of the helicopter

By GEORGE RUSSELL FRY,  
Managing Director, Bristow Helicopters Ltd.

Recognition of the true potential of the helicopter was for a very long time greatly limited. This was largely because of lack of knowledge of its capabilities and, possibly, misconceptions regarding its cost and flight safety characteristics. The position began to change in the 1950s under the influence of the oil industry, which found that helicopters were essential for efficient jungle and desert survey and for servicing offshore drilling rigs. These years were a testing time for helicopter operators and those who then proved themselves to be sufficiently tough, competent and dedicated to meet the demands of the oil industry are the world leaders of helicopter business to-day.

The major step forward was the application of the turbine engine to helicopters during the 1960s. This gave greater speed and payload with more reliability and it commenced the breakthrough into many new roles outside the oil industry which will be a feature of the progress of helicopters through the 1970s.

The oil industry will unquestionably continue to make increasing demands on the helicopter world for long time. Experts agree that world oil consumption is growing faster than the supply available from known sources of production. This means an ever greater need for exploration for many years to come and in this helicopters will play a vital part.

Helicopters have already proved their versatility and potential in other fields which include mineral mining survey and production support, fire-fighting, oil-slick and fish spotting, pest control, fertiliser application, aerial crane work, movement of construction units and materials, power-line and motorway survey and inspection, police, coastguard and customs support, ship servicing, executive transport, game reserve surveillance and film, advertising, publicity and news services.

Trinity House has been using a 16-seater twin-turbine Westland Wessex for lighthouse and lightship relief for 18 months. Many difficulties have been overcome as a result and Trinity House have found great enthusiasm for the reliability of the service among their staff. New projects such as this are regularly appearing.

Executive transport is a case

in which impressive growth is expected during the next decade. So far, it is comparatively undeveloped in the U.K., although even here movements at the London Westland Helicopter rose from 4,087 in 1965 to 6,884 in 1970, and 1971 is beating previous records. As the tide of congestion and frustration on the ground rises, senior executives will look more to the speed and smoothness of the modern light turbine helicopter. Strangely, too, the significance of cost is diminishing. Helicopters are expensive and costs have been rising, but this rise has been more restrained than for other transport and the reduction in differential has greatly widened the area of interest.

### External sources

Much growth in the 1970s will generate from external sources such as general impatience with surface travel, the increasing significance of time-cost factors in the movement of persons and materials and further reductions in the cost differential between helicopters and other transport. Much will come from the industry itself. Production of large twin-engined helicopters in the 1960s supported the boost given by the turbine engine. The advent of a smaller all-weather twin engine aircraft offering four to eight passenger seats will give further impetus and aircraft of this type are well on the way. Britain has a possible contender for the market in the Cierva LTH, for which the designers hope to obtain certification in 1972. This is pilot-plus-four twin and if it can be certificated and produced within a reasonable time-scale to the specification and cost level planned could do extremely well.

Apart from such developments, operators will continue to improve techniques in all-weather flight and serviceability, and in providing a wider range of ancillary services, resulting in less call upon customers for programming or logistic effort. Reduction of noise is receiving a great deal of attention by manufacturers and in many ways the helicopter configuration offers more scope than fixed-wing aircraft in this direction. Studies have been made upon the design of main and tail rotor blades and upon

methods of installing engines, and dramatic reductions in noise emission have been reported.

When the future of helicopters is discussed, the question of scheduled passenger transport always arises. So far, services of this nature have only been viable in special circumstances because of the difficulty of bringing the seat-mile cost of a suitable helicopter within the fare level which a passenger is prepared to pay. A new concept of aircraft design is required for this purpose and several designs are being evaluated. Some are conventional helicopters incorporating fixed-wing type engines, which by off-loading the rotor in forward flight enable higher cruise speeds to be attained. Others achieve the same result by tilting a normal wing to near vertical for take-off and landing.

For any type, it will be necessary to achieve upwards of 80 passenger seats, a cruise speed above 250 knots, a take-off and landing noise level acceptable for operation into urban areas, and operating costs not significantly higher than conventional aircraft of similar seating capacity. Aircraft such as these would be used upon feeder services to major airports, and for short and medium range city centre-to-centre travel. There is no doubt that demand for this type of service exists and will increase as the problems of siting airports grow.

### Closer contact

Sooner rather than later manufacturers must establish closer contact with major helicopter operators concerning these developments, which undoubtedly offer stimulating future possibilities to both sides of the industry.

At a time when general aviation is encountering severe economic problems it is refreshing to be able to point to a section where prospects of profitable growth are extremely good and this can certainly be said of the helicopter industry to-day. Much effort will continue to be required from manufacturers and from operators. Given this, the industry can look to oil exploration to provide basic support, to other existing civil uses for steady growth and to a continually expanding adaptation of helicopters to new spheres of activity for a valuable additional bonus.

## Business flying

By DAVID ANTROBUS, Managing Director, Northern Executive Aviation

Business air taxi operations continue to boom—at a time when scheduled airlines are suffering from a scarcity of business traffic. BOAC Chairman, Mr. Keith Granville, recently said that where firms had been sending two men before, they were now sending one. Where they had been sending one, they were now using the telephone.

As scheduled aircraft continue to take off with many empty seats, airline chiefs cannot but agree with this statement. In spite of busy summer trade, business traffic provides the backbone of most scheduled operations. Yet a survey of the activities of members of the Air Taxi Operators' Association in different parts of the country shows that during 1970 passengers carried increased by anything between 20 and almost 50 per cent. Statistics for the first half of 1971 and projections for the remainder of the year continue the rising graph. Another fact of considerable significance is that companies both within and without the Association are adding to their fleet strength.

For example, Cabair, of Heathrow, is operating three Piper aircraft in 1971 against two last year. Managing Director Colin Heathcote has also this year extended his activities by acquiring London Aviation, retaining the name and Eistree base. Truman Aviation, based at Nottingham, recently added a second Piper Twin Comanche to their fleet, and Northern Executive Aviation, based at Manchester, are now operating four Piper Aztecs, one Twin Comanche and a Britten-Norman Islander. The Islander, which came into full operation at the end of last year, increased passenger capacity by one third.

McAlpine Aviation, based at Luton, increased their jet aircraft availability in March, with the addition of a third 500 m.p.h. HS 125. The company operates three HS 125 jets, two being available for charter flying for half their total flying hours. McAlpine's fleet consists of three jets and 12 twin-engined aircraft. Two aircraft are based at Yeading, Yorkshire.

Does all this indicate that businessmen are turning to air taxi charter in preference to scheduled airline flights? The answer is no. The airlines and the air taxi operators provide complementary services to meet the needs of the business air passenger market. Where scheduled services are provided to convenient timings and appropriate destinations in Britain and Europe businessmen continue to use them.

### Saving time

The managing director of a cable manufacturing company—a relatively new "convert" to air taxi charter—had just returned to his desk from a

scheduled Amsterdam-Manchester flight, when he commented: "I use air taxis to save time. If there is a convenient scheduled flight, fine. If not, air taxis are great time savers." During a recent six-week period this busy industrialist used NEA air taxis for flights from Manchester to Bristol, Bournemouth, London and Belgium.

Much of the increase registered by Air Taxi Operators' Association members stems from companies using this method of transport for the first time. Mr. Eric Thurston, managing director of Thurston Aviation, based at Stapleford Tawney, Essex, who is President of the Association, commented: "This is certainly true of my company and I know it is of others. It is awareness by businessmen of the economic and other advantages of properly-used air taxi services. It also demonstrates an appreciation of the high standards of operation, maintenance and safety provided by

Continued on next page

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The Financial Times Thursday August 26 1971

## AIR CHARTERING III

# Independents face problems

By HUGH COLVER

Charter airlines are currently in the centre of an upheaval which involves not only the traditional arguments from the scheduled airlines concerning shares of traffic, but also the tour operators, who are resisting efforts by the charter airlines to raise their rates. It is no coincidence that these problems arise at a time of world-wide recession in aviation, and certainly the most vulnerable sector involved is that of the independent airlines, some of whom are facing severe financial problems.

The scheduled airlines are trying to establish new fares for the North Atlantic run aimed specifically at taking some of the passengers at present carried on charter flights. Some of these scheduled airlines go so far as to say that charter airlines should simply not be allowed to operate on intercontinental routes on the grounds that they attract no new traffic but simply take it away from the scheduled services. Charter airlines deny this, pointing out that the vast majority of charter airline passengers could not afford to travel at scheduled service rates.

### Drop in fares

If there is a full-scale price war one group of people will certainly gain—the passengers—because fares will undoubtedly come down on a number of routes. There are likely to be more airlines offering really cheap journeys—like the £5 to Paris by Skyways International and the Laker Airways proposed single fare to the U.S. of £37.50.

However, the present state of upheaval goes further than price war. The possibilities of restriction on the development of Gatwick would certainly have a detrimental effect on independents such as Caledonian-BUA, which accounts for over half the airport's revenue and badly wants continued development there. Indications of the feeling that there is a need for a united front in the charter business includes the recent formation of the International Air Charter Association, which has said it is particularly concerned about what it calls "artificial restrictions" on passengers. Lloyd International, a British independent airline, is proposing that airlines and travel agents set up their own travel clubs in an effort to regulate the air charter market. At the same time, the Government is considering the introduction of a code of practice or group charter flights.

So the independent charter airlines face a period of challenge and change, and some are a fight for their lives. In the light of all this, how do they stand at present, and just how significant a group are they in the field of world air travel? Taking U.K. movements as an example, during 1970 the total number of passengers picked up or set down at U.K. airports was 11,606,453. This figure covers the airports that report figures to the Board of Trade—all the major ones and most of the smaller ones. Of this figure, charter flights, in or out, accounted for 7,499,387 passengers. Of the charter total, BOAC and BEA carried 608,780, foreign airlines 1,283,774 and the U.K. independents 5,606,833. So charter flights of one sort or another account for slightly less than a quarter of all U.K. passenger movements, and U.K.

independents have by far the largest share of those charter operations. The independents are therefore a large force to be reckoned with.

Caledonian-BUA, an amalgamation of two of the largest independents, is a major part of this force. Although this Gatwick-based company has a firm foothold in scheduled services in accordance with Government policy, about half of its traffic is on charter work and this side of the business is growing faster than scheduled business. The airline has 20 BAC One-Elevens, eight Boeing 707s and four VC-10s in an all-jet fleet. Freight is an important part of their business and they expect to carry over 20,000 tons this year. Most of this is carried on passenger flights, though they do operate an all-cargo 707 both on scheduled services to the African continent and on "one-off" freight charters.

The passenger side of their charter business is divided into three main areas. The largest of these is the inclusive tour operation, which takes their aircraft mostly to the European-Mediterranean holiday resorts, but also to the Far East, North America and the Caribbean. Second in importance are the affinity group charter operations, mainly involving the North Atlantic routes on which the Caledonian-BUA dominates the charter market (over 250,000 passengers in 1970). Third in terms of volume comes what is called the "ad hoc" charter. This is the "one-off" operation involving the movement of a ship's crew, a film company, an opera group or an orchestra—indeed, anyone who rings up and wants to move a certain number of people to a certain place for some purpose and does not wish to use scheduled services for reasons of convenience or economy, though it is only cheaper if the numbers involved are high.

### Package tours

Another independent that does most of its business in package tours is Dan Air. Also Gatwick-based, this airline operates 11 Comets, four One-Elevens, a 707, a Nord 262, an Ambassador and an HS 748. Although Dan Air are involved in operating scheduled services, this side of the business has grown only slightly in the last five years. In contrast, whereas they carried 100,000 people on charter flights in 1966, they carried 631,000 in 1970. Charter flying, particularly package tours, is now very much their main line—scheduled service passengers numbered only 40,000 in 1970.

Luton Airport is a major centre for the charter business in the U.K., and among the notable operators who base their operations there is Court Line, which runs ten One-Elevens. This airline has carried its present name since 1968, but began life as Autair, which was purchased by the present owners in 1966. Court Line is a pure charter airline, operating mainly in the inclusive tour market through contracts with such companies as Clarksons. Apart from that they do ad hoc work and some affinity group charters, but carry no freight. Growth has been quite considerable in terms of passengers carried. From carrying over 1m. in 1969, they carried 900,000 in 1970 and expect to carry well over a million in 1971, probably

reaching the seven figure mark in October.

Britannia Airways is another Luton based operator. Again, this is a pure charter operation and their contracts include charters for the British Army of the Rhine. They are also in the inclusive tour, ad hoc and affinity group business and operate eight Boeing 737s and a 707. A second 707 will be delivered soon. Two of the 737s and the 707 can be quickly converted for freight charter work. Lord Thomson bought the airline in 1965 and it is now one of the largest charter operators.

### Limited amount

Monarch, with three 707s and seven Britannia aircraft, is also based at Luton and also specialises in the inclusive tour market with some ad hoc work and a limited amount of freight traffic. Monarch have been operating since 1968.

Laker Airways, well known for their North Atlantic affinity group charter operations, started in 1966 with two Britannias. Now, with their base at Gatwick, five One-Elevens and two 707s, they concentrate on the inclusive tour market and are particularly well placed since they have their own tour operators within the organisation. Apart from the North Atlantic run, most of the traffic is to the Mediterranean and European holiday places. Traffic has grown from 125,520 passengers in 1967 to an expected 450,000 in 1971.

Also prominent on the North Atlantic affinity group charter front is Donaldson International Airways, based at Gatwick. They have two Britannias and three 707s (one at present on lease to another airline) with an option on a fourth. They also do ad hoc charter and carry package tour traffic, and one of the 707s is convertible for freight, as is one of the Britannias. Donaldson began in the spring of 1969, carried 100,000 passengers last year and expect to carry 175,000 this year.

Since they have gained fame with their £5 to Paris offer, Skyways International should be mentioned. This airline, which does some charter business as well as its scheduled services, started operating just after the war, became Skyways Coach Air in 1952 and now under the new name flies four HS 748s. As can be seen from the records of this collection of independent airlines, the charter business has grown and is still growing, particularly in the inclusive package tour and affinity group charter fields. All the airlines mentioned, large or small, are carrying more and more passengers, and in some cases freight every year. Their problems are not centred round any lack of traffic. As with airlines the world over, scheduled or non-scheduled, public-owned or independent, profitability is the elusive factor.

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## Business

— (Cont'd.)

Continued from previous page

leading companies." The upward trend of air taxi operations has been registered during a difficult period for industry as a whole. Companies have been—and are—keeping a watchful eye on expenditure of all kinds. In the main, absolute necessity has been the yardstick controlling spending.

Under these circumstances, say the Association, a picture of growth and increased aircraft utilisation underlines the importance of the part which executive air taxi services have to play in the development and expansion of industry and commerce.

### Home market

Moves towards the Common Market—a "home market" of no fewer than 300m. people—are also creating a situation of considerable advantage to air taxi operators, and the Association is already registering a significant upsurge in air taxi charters to continental countries.

On cost evaluation, the twin-engine 200-mph. aircraft operated by Association members can compare favourably with the cost-per-mile expense

of a car. For example, a five-passenger Piper Aztec works out to just over 4p per passenger per mile when all seats are occupied. The nine-passenger Islander approximates 3p per passenger per mile.

To-day there are seven member companies in the ATOA—Cabair Ltd. of Heathrow; Executive Air Ltd. of Coventry; London Aviation Ltd. of Epsom; Northern Executive Aviation Ltd. of Manchester; Peters Aviation Ltd. of Norwich; Truman Aviation Ltd. of Nottingham; and Thurston Aviation Ltd. of Stapleford, Tawney. Applications from three other companies are under consideration, and steps are being taken to extend further the scope and membership of the Association.

The ATOA has Air Taxi Plan agreements with British European Airways, Air France, Middle East Airlines, Scandinavian Airlines, Swissair and TAP, with a further agreement under negotiation. Under these agreements twin-engine air taxis for onward flights can be booked with the airlines at the time of reserving the scheduled flight—or to bring passengers from a remote point for a scheduled airline departure.











Wednesday, August 25 .....	11,839	Monday, August 23 .....	11,182	Thursday, August 19 .....	10,058
Tuesday, August 24 .....	11,321	Friday, August 20 .....	10,379	Wednesday, August 18 .....	9,318

هكذا من الأهل

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1. The first step is to identify the problem. In this case, the problem is that the company is not meeting its sales targets. The second step is to analyze the data. The third step is to develop a plan. The fourth step is to implement the plan. The fifth step is to evaluate the results.

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## The IMF seeks a new role

BY JOE ROGALY

THE UNHAPPINESS of the International Monetary Fund over these past ten days has been a sorry spectacle. It was, of course, only to be expected once President Nixon announced his new economic policy for with that single announcement he brought to an end the system that the IMF was designed to operate. From an institutional point of view the outcome is faintly pathetic.

## Luxury

There, in this large expensive building in Washington, deliberately designed to look like the central bank to the whole world, sits one of the most distinguished staffs of economists that it might be possible to gather, guided and assisted by the brilliant M. Pierre-Paul Schweitzer. The thick carpets, the tasteful decorations, all the paraphernalia of security and stolidity are there—too many of them paid for incidentally, by the service charges levied on Britain during its difficult years.

Outside Washington there is a delicious country club; it constitutes perhaps the best staff canteen in the world. Officials who travel on IMF business have become accustomed to first-class air tickets, convenient routings, and comfortable accommodation when they arrive. In Washington there is never any feeling that one really ought to spare a dime for the poor fellow on an IMF salary.

For a generation now these elegant mandarins have done a useful job for the Western world. Now their purpose is unclear: their own little universe has been blasted away from beneath them. Something may be re-created in its place, but it can hardly be the same as that which they have until now enjoyed.

Perhaps what they will miss the most is the illusion of power. The arrival of the small new nations on the international stage during the past 15 years or so has been of special significance for the IMF. For although it is an international organisation whose decisions must be based upon consensus, it has nevertheless built up enough real strength and influence to enable it to sit heavily, if with benign intent, on the finance ministries of the underdeveloped nations.

## Loyalty

Its force has been strengthened by the attractions of working within its walls: executive directors, who are in reality the representatives of member countries (or groups of member countries) tend to feel a while to feel loyal to the Fund as a whole, and to think and act accordingly. This phenomenon has been of great value at times when particularly delicate operations have been under way—such as the long-drawn-out negotiations towards the establishment of Special Drawing Rights.

It has even made it possible for the Fund to transmit the strength of the major lending nations in such a way as to give it influence over so mighty an institution as the British Treasury, as any recollection of the Labour years will show.

## Attempt

But what the IMF never could do, and certainly cannot do now, is push everyone around at the same time. Its officials would have even to hear such a phrase: "But the 'suggestions' for new parties for almost everyone that the Press leaked yesterday (together with outraged Fund protests) do amount to a central attempt to bring about a new order to the international payments system."

There is really no need to object to this attempt. Its success or failure will depend on individual nations, not the IMF. It is well-meant. And in view of the fact that without it there is no obvious reason for having the present kind of IMF at all, it is perfectly understandable that such a thing should be "suggested" in the first place.

## NEW OFFICE FOR NFU INSURANCE

The National Farmer's Union Mutual Insurance Society is to build a new five-storey office block at the corner of Bath Street and West Campbell Street, Glasgow. The £300,000 development will provide a total office floor space of 250,000 sq ft, part of which will be lettable. Construction is expected to begin early next year.

## THE LEX COLUMN

# Marley reaps its gearing fruits

Marley's 1970-71 progress has surprised everybody—including, perhaps, itself—and the same is true of the third quarter with profits of £1.92m, pre-tax against £661,000 a year ago, when trading was already beginning to pick up from the nadir. With U.K. sales up by about 15 per cent, this represents once again a classic combination of loss elimination—in Germany—straightforward recovery—in Ireland, free from the cement strike—and operational gearing plus management reorganisation. Last year, for example, price inflexibility was a major problem with contract work representing over one-third of the flooring business and perhaps 60 per cent on roofing tiles. Now, virtually all contract work is done on a much shorter six monthly basis.

Add to this the financial gearing, accentuated by the swing from ungroupable losses to useful tax-free profits in Germany, and the upshot is attributable profits after nine months of £2.6m, against £415,000 the rise

of over £46m, speaks volumes for the market's view of its recovery prospects. Unfortunately, apart from some early signals in platinum refining, the group itself can see no evidence of a recovery in volume—and that is the key with first quarter sales down from £47.1m. to £40.3m.

See also Page 16

## Automotive Products

Automotive Products has always been a tight and sensitive market and yesterday's 70p rise in the shares to 725p, to see in this context. Admittedly the first-half figures reaffirm the old operational gearing pattern, with profits 35 per cent higher at £2.5m, before tax from an 8 per cent rise in sales. But AP showed something like this form in the second half of 1970; and the question is which way the operational gearing will work in July-December, 1971.

The recent tale from the motor component industry has been a combination of short-term working and hopeful noises

about the latter's duration. AP confirms the pattern with the news that production is currently still running below the average level of the first half year, and looks to the mini-budget for some fourth quarter stimulation. On past performance, therefore, it might be unwise to upgrade 1971 earnings prospects from last year's 54.2p to a share which would leave AP, generally a low p/e stock, on an unusually high multiple of 13.4. So the market is banking on a sustained motor industry run from this autumn, and discounting Guest Keen's competitive ambitions in the original equipment clutch market.

See also Page 17

## BTR Leyland

A half-time downturn followed by recovery over the year was what BTR Leyland was looking for back in June, and that is just what it is getting with profits after six months down from £1.3m. to £1.11m, pre-tax, and a forecast of maintained profits and earnings over 1971.

Index rose 1.4 to 419.2

The U.K. is the clue to the trading pattern of both halves. Last year's stocks were on a high side anyway in the face of an 11 per cent sales drop at home. Stocks have been cut by around a fifth since January. Most of the redundancy costs following a 15-20 per cent reduction in the U.K. workforce have been capitalised, but the drop in production was still a hefty drag in terms of overhead recovery.

## Herbert/BSA

So BSA has found takers for its 17 per cent stake in Alfred Herbert—3.23m. "B" shares which became ordinary shares on sale. The shares were effectively placed with a number of institutions at a suitable discount. At an average price of say 50p (Herbert was down to yesterday to 55p) that would be worth £1.6m. to BSA, which, after its recent sale of Birtley Engineering would leave it almost run fifth of the way to raising its target of £5m cash. As for Herbert's share price, BSA's block never represented a potential weight on the open market as the "B" shares were not freely negotiable. Nevertheless some may find reassurance in this evidence of institutional confidence in Herbert's long term future.

# Shipbuilders must improve labour relations says CIR

BY MICHAEL HAND, LABOUR CORRESPONDENT

AN IMPLIED warning that failure to modernise the shipbuilding industry's labour relations system could result in other companies finding themselves in a similar plight to Upper Clyde Shipbuilders is contained in the Commission on Industrial Relations' report on the industry published yesterday. But last night, despite a plea by the Government, joint action by the employers and unions to implement the CIR proposals appeared to be unlikely at this stage.

While giving credit to both employers and unions for the progress that has been made since the Geddes report on shipbuilding was published five years ago, the CIR is still highly critical of many of the attitudes adopted by both sides. The 200-page report points to high and increasing time lost through labour disputes, with days lost per man running in recent years at five times the average for all industries; to the fact that productivity has been about half that of principal competitors such as Japan and Sweden, with the gap showing no sign of closing; and to financial problems afflicting much of the industry, with some companies recently recording big deficits and yard closures because of losses.

# Redundancy notices for further 220 at UCS

BY ANDREW HARGRAVE, SCOTTISH CORRESPONDENT

A FURTHER 220 people at Upper Clyde Shipbuilders, manual workers and staff spread over the four units of the group, will be receiving redundancy notices before the end of this week.

This makes nearly 400 redundancies by the end of the month as forecast by the liquidator, Mr. Robert C. Smith. The move is to be resisted by the shop stewards who are already paying about two-thirds of the first redundancy costs of the first group of redundancies.

To-morrow, Mr. Archibald Kelly, the West of Scotland industrialist who has announced his intention to make a firm offer for the whole of UCS, will meet Sir John Eden, Minister for Industry, in London. He and his financial adviser, Mr. James Sharp, are expected to spell out the plans for making UCS viable in some detail.

At their first meeting on Tuesday of last week Sir John asked Mr. Kelly to "extend his

interest" beyond the Clydebank yard which was his first choice, though he stressed his preference for the Government's proposals to set up a new company based on the Govan-Linthouse complex.

Mr. Gordon Campbell, Secretary of State for Scotland, referred to the UCS situation when he opened an extension to an electronics factory at Newbridge, Midlothian, to-day.

He said that the end of UCS had "never meant that any of the yards need inevitably be closed." And added that the liquidator had recently confirmed this.

If the Government's own Govan-Linthouse scheme is set up and the other yards were successfully disposed of by the liquidator, and if men moved to other jobs on Clydeside, "the unemployment caused by the sudden liquidation of UCS could be very much less than the figures which had been bandied about," said Mr. Campbell.

Asked about the significance of Mr. Kelly's intervention, Mr. Campbell thought both the Government's and Mr. Kelly's options were open and even complementary. Meanwhile, UCS workers decided unanimously to-day to guarantee co-operation to Mr. Kelly.

Mr. James Airlie, chairman of the shop stewards co-ordinating committee, said after the vote at mass meetings at the Govan, Scotstoun and Clydebank divisions of UCS that the guarantee had been given on the understanding that there would be no contraction of UCS.

Our Paris Correspondent reports that the managing director of a large French shipyard, Chantiers Navals de Dunkerque, has confirmed that a mission left France for Glasgow on Tuesday to explore the possibility of some 400 UCS workers working for the French concern, in the event of widespread redundancies.

The man who wants to buy UCS Page 14

# Belfast deputation tells Heath tougher measures needed

BY RICHARD EVANS, LOBBY CORRESPONDENT

A DEPUTATION from Belfast led by the Lord Mayor, Alderman Joseph Cairns, yesterday put proposals for much tougher security measures in the city when it met the Prime Minister at Chequers.

Among the suggestions put by some of the members of the deputation representing the City Council and the Chamber of Commerce were demands for the immediate imposition of martial law and night curfew.

After detailed discussions Mr. Heath promised that the suggestions would be considered, but he gave no commitment that any would be taken up. The deputation discussed the worsening situation with the Prime Minister for two hours following growing concern in Belfast at the disturbed state of the city and the effect civil disturbances have had on trade.

GLASGOW, August 25.

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The man who wants to buy UCS Page 14

# Ford Geddes to be P & O chairman

By Ray Dafter

THE BOARD of Peninsular and Oriental Steam Navigation Company yesterday appointed Mr. Ford Geddes, 52, to succeed Sir Donald Anderson, who retires as chairman on September 2, the day before his 65th birthday.

Mr. Geddes, who was widely expected to become chairman, has



Mr. Ford Geddes

been a deputy chairman since June, 1968. He will take the helm of what is reputed to be the largest shipping organisation in the world.

P and O has an annual turnover in excess of £190m, and controls a fleet of about 250 ships, either in service or on order. The group also has extensive interests in road transport, air freight, insurance, engineering, freight forwarding and warehousing.

## University man

Like Sir Donald, Mr. Geddes joined Anderson Green and Co., ship managers and brokers, from university, subsequently becoming secretary and a director.

In 1960 he was appointed a director of P and O, Orient Steam Navigation, and P and O Orient Management. Three years later he became managing director of P and O.

Mr. Geddes is also a director of the Bank of New South Wales (London Advisory Board), Associated Bulk Carriers and Overseas Container Holdings. He has been president of the Equitable Life Assurance Society, of which he has been a director since 1968, and chairman of Container Fleets.

Continued from Page 1

# Belfast bomb outrage

Labour Party says that it was "not even reading Mr. Faulkner's statements now. Our position is that the system here is finished, that there must be a suspension of it, and that there should be a Council of State, representative of both communities, to administer affairs while there are talks for a more permanent solution."

At his Press conference, Mr. Johnson welcomed the independent inquiry into allegations of army brutality. He also flatly rejected the suggestion of United Nations observers, "If you have a code of justice which is a good one I do not see what the UN has to offer."

He announced improvements in conditions for soldiers serving in Northern Ireland. For example, refrigerators will be provided for families serving in Ulster, a benefit not usually available to men serving within the U.K.

Air fares for troops travelling between Ulster and the U.K. have been reduced from a normal £22 to £10 and there were hopes of getting this even lower.

Mr. Johnson said he was convinced that the British Army was acting and will continue to act with complete impartiality and minimum force and he felt that they had carried out their duties in an exemplary fashion.

As tension remains high here in Ulster, the task of the Army does not get any easier. It is extremely difficult to provide protection against indiscriminate bomb attacks of the type that Belfast has been experiencing during the past week.

# 700 sign price restraint pledge

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

MORE than 700 U.K. companies have now signed the Confederation of British Industry's undertaking on prices restraint, well over 150 of them drawn from among the 200 largest concerns in Britain.

This means that over 500 companies which were not asked for a specific pledge to hold price increases to less than 5 per cent, over the next 12 months have volunteered to do so.

On the other hand, some replies from the 200 major groups which were asked for a written statement of intent have not yet been received by the CBI.

The Confederation is still convinced, however, that it will attract overwhelming support by September 8, the date on which it will announce the result of its appeal.

## Difficult

Some industries have indicated that they will find it difficult to co-operate, however, including two trade associations active in the house-building sector, the Timber Trade Federation and the Federation of Painting Contractors.

The Timber Trade Federation has told the CBI that it cannot advise its members to subscribe to an undertaking which would give a misleading impression by implying that they have the power substantially to influence the price of timber of all kinds to users.

The Federation has pointed out that this power lies in the hands of overseas exporters, over whom importers have little control.

In the case of chipboard, the use of which is increasing very rapidly, the trade's attempts to buy abroad at the cheapest prices have failed for of the Government's anti-dumping policy, which is likely to result in an increase in prices," the Federation warned the CBI.

The president of the Federation of Painting Contractors, Mr. Ronald Cox, said yesterday that he did not feel that the Federation's members could comply with the CBI undertaking.

He issued a warning that all tenders for major painting on new building contracts of more than 12 months' duration might have to be resubmitted or renegotiated by the major contractors.

## Acceptance

In addition, we are paid last, so others can use our money sometimes for lengths of time that can only be described as indecent," Mr. Cox added. Nevertheless, although many companies recognise that they may have difficulty in following the CBI line on restraint, it is understood that the number of top companies accepting the policy has moved well past the 150 mark.

With the end of industrial holidays in some industries, it has been possible for several of the U.K.'s bigger concerns to hold Board meetings to formalise acceptance of the CBI undertaking. Most of the others are expected to do so shortly.

# GO-AHEAD FOR £1M. E. YORKSHIRE SPORTS COMPLEX

The Government has told Halesworth, East Yorkshire, Urban District Council that it can go ahead with its plans to build a £500,000 sports complex at Southella. A council official said this was the first stage, a second would be added later.

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# Odgers

MANAGEMENT CONSULTANTS

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Alfred Savill  
Curtis & Henson

## Weather

U.K. TO-DAY

Seotland, N. Ireland  
Mostly cloudy with rain, brighter with showers.

Many areas of Wales and E. Land. Sunny spells, becoming cloudier with rain. Temps. on seasonal normal.

London, S.E. Cen. S. England, Anglia, Midlands  
Sunny spells, cloudier in the evening. Wind S.W. to S. Wind E. moderate to variable. Temps. near normal. Max. 2 (70F).

E. Cen. N. E. England, Bords  
Bright spells, becoming more cloudy with rain. Wind S.W. moderate or fresh. Max. 1 (66F).

Channel Isles  
Cloudy. Outbreaks of thunder rain. Wind light variable. At 20C (68F).

S.W. N.W. England, Wales  
Bright spells, mostly cloudy with rain or showers later. W. S.W. moderate or fresh. Max. 1 (66F).

Lake District, Isle of Man, S. land, N. Ireland  
Mostly cloudy with rain, brighter with showers. Wind S. fresh or strong. Max. 18C (64F). Outlook: Sunny spells, showers. Cloudy in E. with rain. Temps. near normal. Rain. 1 in N.W.

## BUSINESS CENTRES

City	Day	Temp
Amsterdam	26	12
Brussels	26	12
Frankfurt	26	12
Geneva	26	12
London	26	12
Madrid	26	12
Munich	26	12
Norwich	26	12
Paris	26	12
Rome	26	12
Stockholm	26	12
Switzerland	26	12
Vienna	26	12
Zurich	26	12

## HOLIDAY RESORTS

City	Day	Temp
Amsterdam	26	12
Brussels	26	12
Frankfurt	26	12
Geneva	26	12
London	26	12
Madrid	26	12
Munich	26	12
Norwich	26	12
Paris	26	12
Rome	26	12
Stockholm	26	12
Switzerland	26	12
Vienna	26	12
Zurich	26	12

# PLESSEY STRIKE LAYS OFF 248

About 248 workers, most of them women, at Plessey's Telecommunications, Edge Lane, Liverpool, were laid off last evening because of the nine-week strike of 164 maintenance engineers over a pay and productivity deal. This is the second lay off within five days and brings the total to 562. The management has offered to meet the strikers, who after against union advice, but only when they resume duty. Most lay offs are inevitable as the factory, which employs 9500,